

ENSURING PUBLIC SAFETY
AND NATIONAL SECURITY
UNDER THE RULE OF LAW

A REPORT TO
THE AMERICAN PEOPLE
ON THE WORK OF THE FBI
1993-1998

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DIRECTOR



FEDERAL BUREAU OF INVESTIGATION

FBI Core Values

The strategic plan for accomplishing the FBI's mission must begin by identifying the core values which need to be preserved and defended by the FBI in performing its statutory missions. Those values are: rigorous obedience to the Constitution of the United States; respect for the dignity of all those we protect; compassion; fairness; and uncompromising personal and institutional integrity. These values do not exhaust the many goals which we wish to achieve, but they capsulize them as well as can be done in a few words. Our values must be fully understood, practiced, shared, vigorously defended and preserved.

Observance of these core values is our guarantee of excellence and propriety in performing the FBI's national security and criminal investigative functions. Rigorous obedience to constitutional principles ensures that individually and institutionally we always remember that constitutional guarantees are more important than the outcome of any single interview, search for evidence, or investigation. Respect for the dignity of all whom we protect reminds us to wield law enforcement powers with restraint and to recognize the natural human tendency to be corrupted by power and to become callous in its exercise. Fairness and compassion ensure that we treat everyone with the highest regard for constitutional, civil and human rights. Personal and institutional integrity reinforce each other and are owed to the Nation in exchange for the sacred trust and great authority conferred upon us.

We who enforce the law must not merely obey it. We have an obligation to set a moral example which those whom we protect can follow. Because the FBI's success in accomplishing its mission is directly related to the support and cooperation of those whom we protect, these core values are the fiber which holds together the vitality of our institution.

Louis Freeh

Director

Federal Bureau of Investigation

FOREWORD

He who walks in the way of integrity
shall be in my service.
No one who practices deceit
can hold a post in my court.
No one who speaks falsely
can be among my advisors.

Psalm 101

Since its formation in 1908, the FBI has had just one central mission -- to ensure domestic tranquility by protecting the American people from enemies both domestic and foreign, while honoring and defending the Constitution and the rule of law. This responsibility requires that we advise the American people of our accomplishments in ensuring their welfare and liberty; the manner in which we have utilized the resources provided by Congress; and the emergence of new threats and the FBI's plans to counteract them. In our democracy, agencies such as the FBI must inform the public that we serve and protect.

Since being sworn in as Director on September 1, 1993, the FBI and the Nation have experienced dramatic changes relating to crime, terrorism and national security. Transnational and cybercrime impact both our national and economic security. Economic espionage has transformed both the targets and strategies necessary to combat these new threats. Health care fraud, global economic crimes, Eurasian organized crime, Environmental crime, and hate crimes have been added to the FBI's enforcement priorities for public corruption, white collar crimes, traditional organized crime, violent crime and drug trafficking. Terrorism and the proliferation of weapons of mass destruction have significantly altered both our national security strategies and committed resources. Moreover, all of these changes have necessitated the critical need to enhance the FBI's relationships with our federal, state, local and foreign law enforcement and national security counterparts.

The expansion of the FBI's overseas presence, the design and implementation of vast new criminal justice and forensic services and more integrated operations with federal, state, local and foreign public safety and security agencies have been initiated to ensure the continued success of the FBI's mission as we enter a new century.

The occasion of the FBI's 90th Anniversary marked an opportunity to look back with pride and forward with confidence at the FBI's mission. Our 1998-2003 Strategic Plan outlines the FBI's current assessment of its challenges and objectives. This Report and Plan summarize the dedicated work, accomplishments, challenges and objectives of the extraordinary men and women of the FBI from 1993 to 2003. The five-year period encompassed by this Report chronicles the immense responsibilities of the FBI and the dedicated service and heroism of its 27,829 employees, past, present and future.

My continuing commitment for the FBI as we enter the new millennium is the same as when I took office. First, that the FBI maintain its Core Values of fidelity, bravery and integrity. Ninety years of changes in technology, jurisdiction and mission have only reinforced the critical requirement that FBI employees always tell the truth, promote justice, and act with fairness and compassion to protect the people and uphold the Constitution. Second, that the FBI maintain the resources and jurisdiction to ensure its competence. Third, that the FBI develop to the highest potential its cooperation and assistance with its federal, state, local and foreign law enforcement and national security counterparts. Our greatest successes will flow from the willingness to "share our toys" with our partners and avoid the dysfunctional turf-fighting that detracts from our mission. Finally, that the FBI remain free from inappropriate political interference and all attempts to politicize its work. "One of the cardinal rules enunciated at this time [1924, while the Honorable Harlan F. Stone was Attorney General of the United States] was that the Federal Bureau of Investigation should be completely divorced from the vagaries of political influence."¹

All of our past accomplishments and plans for the future depend on the FBI's commitment to these four basic principles. Having been associated with the FBI for the last quarter century of its history, I am completely confident that the FBI will carry out this commitment. The men and women of the FBI stand ready to serve with honor, "one Nation, under God, with liberty and justice for all."

Louis J. Freeh
Director

¹ The Federal Bureau of Investigation, United States Department of Justice, 1935 at p. 1.

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EXECUTIVE SUMMARY

Law Enforcement Ethics and Fairness

The Federal Bureau of Investigation is dedicated to protecting the American people from harm, and nothing is more important to achieving that goal than the integrity of its Special Agents and other employees.

In the past five years, I have established core values for all FBI employees: obedience to the Constitution, respect for the dignity of all protected by the FBI, compassion, fairness, and total integrity.

At the same time, I have developed "Bright Line" policies to which all FBI employees must adhere. Certain conduct will not be tolerated, including lying, cheating, stealing, sexual harassment, and alcohol and drug abuse.

To oversee these important areas, I created a new and separate Office of Professional Responsibility to deal with allegations of employee misconduct and to conduct rigorous, in-depth ethics training for FBI Special Agent Trainees and others.

FBI Leadership in National Security

The FBI has placed a top priority on fighting threats to the nation's national security posed by terrorists and spies. The FBI's counter-terrorism budget more than tripled from Fiscal Year 1996 to FY 1999, enhancing our ability to combat these insidious dangers to our way of life.

The FBI's counter-terrorism programs are directed against both threats originating from abroad and at home.

In 1998, the FBI responded with hundreds of Special Agents when American embassies in Kenya and Tanzania were bombed. A number of defendants were returned to the U.S. to face charges.

Earlier, six persons were convicted in the bombing of the World Trade Center in New York City. Another major terrorist incident was prevented when a plot to bomb other New York City targets was uncovered and 14 persons were convicted.

In other cases, three persons were convicted of plotting to bomb U.S. airliners in the Far East, a man who killed two CIA employees in Virginia was arrested abroad and returned by the FBI and convicted in state court, and the investigation continued into the bombing that killed 19 U.S. servicemen in Saudi Arabia.

The worst domestic terrorist incident in U.S. history

occurred in 1995 in the bombing of the Federal Building in Oklahoma City, killing 168 persons. Two men were later convicted in the case, one receiving the death penalty and the other life in prison.

One of the FBI's longest investigations--17 years--ended in 1996 with the arrest of the UNABOMBER, whose bombs killed three persons and injured 23 others. He pleaded guilty and was sentenced to life in prison.

To combat such offenses, the FBI has created a Counter-Terrorism Center, where 18 federal enforcement agencies maintain a presence. In addition, a Presidential Decision Directive established the FBI as the lead federal agency for threats or incidents involving weapons of mass destruction. The National Infrastructure Protection Center is also located at the FBI.

In the espionage area, the FBI and CIA have developed close enforcement ties, leading to the arrest and conviction of two CIA officials and an FBI Special Agent on espionage charges. Other major cases involved 10 persons charged with spying for Cuba, an Army sergeant convicted of spying for the Soviet KGB, and the conviction of three persons for spying for the former East German Intelligence Service.

Under a new statute whose passage was strongly urged by the FBI, there are now new tools to combat economic espionage--a major threat from many nations since the end of the Cold War. A number of major cases have already been brought.

Tools and Resources to Support Investigations

New tools and resources provided by Congress have enabled the FBI to make significant strides against crime problems in the last five years and prepared the Bureau to enter the 21st Century. The new support from Congress includes:

- The authorized personnel levels have grown nearly 15 percent since FY 1994, including the addition of more than 1,100 new Special Agents.
- In the same period, the FBI annual budget has increased from \$1.5 billion to \$3.0 billion.
- Congress created the Economic Espionage Act which gives the FBI the authority to combat one of the greatest threats to national and economic security since the end of the Cold War.
- In addition, Congress provided funding for creation of two computerized information systems serving local, state, and federal law enforcement agencies throughout the country. NCIC 2000 provides prompt information on wanted fugitives and stolen property. IAFIS sharply reduces the time needed to check fingerprints.

The FBI has been better equipped to combat such high-priority crime problems as terrorism, organized crime, drug trafficking, new threats from abroad, health care fraud and other white collar crime, and crimes against children.

The FBI Legal Attache program has been expanded and produced significant anti-crime dividends. The Attaches are senior FBI Special Agents stationed at U.S. Embassies to work with their local counterparts against crime problems of joint concern, in the process building vital "cop-to-cop" relationships.

Another major step was the FBI's creation in 1998 of Rapid Deployment Teams made up of expert Special Agents who can be swiftly deployed when crimes involving American interests occur in other countries that are receptive to joint investigations.

The FBI Laboratory, the finest forensic facility of its type in the world, was accredited in 1998 by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board. The Laboratory then went on to introduce the National DNA Index System, a valuable new tool for fighting violent crime.

The Laboratory has pioneered the development of valuable new crime-fighting tools, including sophisticated DNA tests used in violent crime investigations and a computerized technology system that makes links in firearms-related evidence.

In the technology field, the FBI has excelled in creation of NCIC 2000, an invaluable tool that allows law enforcement agencies throughout the nation to quickly obtain computerized information on wanted and missing persons, fugitives, and stolen property. Another breakthrough on nation-wide information-sharing is IAFIS--an automated fingerprint identification system, which promptly checks fingerprints by computer.

Continuing to Respond to Protect Americans

The FBI enforces some 500 federal laws that touch vast numbers of Americans and the Bureau has established a wide range of priorities in the FBI's strategic plan to protect the public from harm.

One major program involves the FBI working closely with local authorities against violent street crime, including drug trafficking. Since the beginning of this Safe Streets Program, there have been nearly 160,000 arrests.

Another priority involves FBI efforts against traditional organized crime and its array of deadly crimes. Significant inroads have been made with the conviction of top La Cosa Nostra bosses and other high-level criminals, and the FBI in 1996 launched "Operation Button Down" as a five-year strategic program

to impair LCN rebuilding efforts.

Crimes against children also are on the FBI's priority tier of enforcement activities. Tools include the "Innocent Images" operation targeting persons using the Internet to recruit minors into illegal sexual relationships.

One of the worst crimes in recent years was the bombing in 1996 at Centennial Olympic Park in Atlanta that killed one person and injured more than 120 others. Charges have been filed in the case and an intensive search is being carried out for the fugitive defendant.

The FBI has given top attention to enforcement against white collar crime and fraud that robs the government and the public. Health care fraud is a significant program component.

One of the nation's greatest tragedies in recent years occurred when TWA Flight 800 crashed into the ocean shortly after taking off from New York City, killing all 230 persons aboard. In 1997, following an intensive 16-month investigation, the FBI announced that no evidence had been found to indicate the crash was caused by a criminal act.

The FBI has a continuing commitment to the protection of the civil rights of all Americans, and, in so doing, has investigated a large number of civil rights cases. For example, it has been a full participant in the National Church Arson Task Force, which has resulted in hundreds of arrests. An FBI investigation led to federal charges against five New York City Police Officers for allegedly brutalizing a Haitian immigrant. Another FBI investigation led to federal convictions of two persons in the death of a student during a civil disorder in the Crown Heights section of New York City.

Antitrust violations are high on the FBI agenda. In one major case, Archer Daniels Midland Company pleaded guilty to price fixing conspiracies and three ADM officials were convicted of criminal antitrust violations.

In the public corruption area, one governor was sentenced to prison for false statements and wire fraud. A former governor was indicted on racketeering, conspiracy, and other charges. In a period of a few weeks in 1998, some 80 law enforcement officers were arrested in four separate cases.

Improving Relationships

The FBI places great importance on constantly striving to improve relationships with local, state, and federal law enforcement agencies in the joint fight against crime.

Cooperation has never been more essential. The FBI works with individual agencies and national organizations--including the International Association of Chiefs of Police, the National Sheriffs' Association, and the Major City Chiefs.

This cooperative approach magnifies the impact of law enforcement against crime and enhances the level of public safety. Many major cases handled by the FBI include other agencies, and the examples range from the bombing of the Oklahoma City Federal Building, to street gangs, to the search for the UNABOMBER.

One special effort is the close cooperation with the Drug Enforcement Administration, targeting large drug trafficking organizations and drugs at the street gang level. The FBI also works closely with other federal agencies.

The FBI provides training to a broad range of law enforcement agencies--both domestic and foreign. For example, in the five-year period from 1994 to 1998, the FBI trained nearly 700,000 law enforcement officers in a variety of courses.

Within the Justice Department, the FBI has played a key role in the Office of Investigative Agencies Policies, created by the Attorney General to improve coordination among Justice agencies. Overseas, a proposal by the FBI led to the development of the International Law Enforcement Academy in Budapest, Hungary, a major center of training for Eastern Europe. It is a joint effort by the State Department and federal agencies.

Support for Employees

The FBI places great stress on the safety and security of its employees. They are the Bureau's most important resource.

FBI Special Agents are given the best training possible and equipped with advanced firearms and state-of-the-art safety equipment. At the same time, the FBI gives a high priority to safety precautions at its facilities--both at FBI Headquarters in Washington and in its Field Offices.

Major attention is given to fairness in hiring and promotion, and the FBI has made significant strides during the past five years in increasing the number of minorities and women who serve as Special Agents.

Fairness in dealings with employees is also paramount. The FBI has expanded its program to uncover and correct instances of bias. Six special employee advisory committees meet semi-annually with Director Freeh to discuss issues of concern to their constituents.

CHAPTER ONE

LAW ENFORCEMENT ETHICS AND FAIRNESS

Nothing is more important to the present and future success of the Federal Bureau of Investigation than the ethics and integrity of its Special Agents and other employees.

If the rule of law is to prevail, law enforcement must be fully supported by the public--and the public will ultimately support only those law enforcement officers who are completely law-abiding.

This is the reason that during the past five years I have placed a top priority on:

- The creation of a "Bright Line" that all FBI employees must follow in their professional and personal conduct.
- Development of a more effective ethics program through creation of an expanded Office of Professional Responsibility to investigate allegations of employee misconduct and provide appropriate sanctions against those who break FBI regulations.
- New, intensive ethics training for Special Agents.

At the same time, the FBI has taken steps to make certain that the disciplinary processes are fair and timely for all employees accused of misconduct. The FBI is dedicated to upholding the law and protecting the rights of all persons being investigated in any type of case. It is only fair and just that the full protections of due process also be extended to FBI employees who are being investigated for alleged wrongdoing.

The FBI also believes in the public's right to know as much about its operations as can be released consistent with the law and security considerations. In view of that, the decision was made to publicly release late in 1998 a report on the disciplinary actions taken by the expanded Office of Professional Responsibility. The report was made available to the news media for nationwide distribution to the public. Annual reports will be made public in the future.

Core Values

To accomplish the FBI's mission, we must identify and follow core values. They all relate to uncompromising integrity. The public expects the FBI to do its utmost to protect the people and their rights. The public also expects, and deserves, total honesty by FBI personnel.

The FBI rejects the false notion that an FBI Agent can have

two sets of core moral values--one for on the job and another for his or her personal life.

The FBI's core values have been plainly stated to its employees: rigorous obedience to the Constitution of the United States, respect for the dignity of all those we protect, compassion, fairness and uncompromising personal and institutional integrity.

As I have told FBI employees, observance of these core values is our guarantee of excellence and propriety in performing the Bureau's national security and criminal investigative functions, which touch the lives of all Americans.

Personal and institutional integrity reinforce each other. We must have such integrity. We owe it to the nation in exchange for the sacred trust and great authority conferred upon us.

Bright Line

In 1994, I created the "Bright Line" policy, designed to enhance the integrity and independence of the FBI. The "Bright Line" puts all employees on notice as to what is expected of them.

The FBI must constantly strive to be a positive force in our society. How the FBI is viewed by Americans--and how FBI employees view themselves--is a crucial factor to succeeding in our many difficult missions.

In addition, FBI employees must uphold and revere core values that include integrity, reliability, and trustworthiness. Any employee whose conduct is at odds with those core values forfeits his or her right to FBI employment.

While this list is not all-inclusive, there are clear examples of behavior for which employees can expect to be dismissed. They include:

- Lying under oath.
- Failure to cooperate during an administrative inquiry when required to do so by law or regulation.
- Voucher fraud.
- Theft or other unauthorized taking, using or diversion of government funds or property.
- Material falsification of investigative activity and/or reporting.
- Falsification of documentation relating to the disbursement/expenditure of government funds.
- Unauthorized disclosure of classified, sensitive, Grand Jury, or Title III material.

At the same time, there is firm discipline for lesser incidents of misconduct.

I have always summed up the "Bright Line" concept in clear, simple terms:

I believe in the basic truth that lying, cheating, or stealing is wholly inconsistent with everything the FBI stands for and cannot be tolerated.

After creating the original "Bright Line," I later developed other important "Bright Lines" regarding employee conduct--one covering sexual harassment and the other alcohol abuse.

Regarding sexual harassment, it is my belief that there is no place in the work environment for discrimination or harassment of any nature. Such conduct will simply not be tolerated in the FBI under any circumstances. Every employee is held to this standard.

Clear procedures have been created to process complaints and FBI management officials will promptly investigate such incidents. Disciplinary action will be taken against such misconduct, and the discipline can range from an oral reprimand to dismissal. FBI employees are assured they can seek redress without fear of reprisal from anyone.

Alcohol abuse is also a serious problem that must be met in two ways--FBI-sponsored treatment programs to aid those who abuse alcohol and discipline for those who violate FBI regulations.

FBI policy forbids use of alcohol for employees while on duty. Since Special Agents must be available for duty on a 24-hour basis, they must take affirmative steps to make certain they are fit for duty at all times. There is severe administrative action for alcohol-related misconduct. I take a particularly serious view of those who drive while under the influence of alcohol or while intoxicated, whether on or off-duty, and termination of employment may result.

Office of Professional Responsibility

To implement the new ethical standards most effectively, the FBI's disciplinary structure and procedures have been reorganized, streamlined, and expanded.

Previously, key functions on ethics matters were in different FBI divisions. It made sense to consolidate them, and in 1997 the disciplinary investigations program and the adjudications program were combined in a new and separate Office of Professional Responsibility (OPR). OPR was further upgraded by my appointment of an Assistant Director of the FBI as its

head. To fill this important position, I went outside of the FBI and selected a distinguished career prosecutor and senior official of the Department of Justice. At the Department, he had extensive experience in extremely sensitive internal integrity investigations and achieved a national reputation for landmark achievements in the prosecution of organized crime cases.

With its resources doubled, the new OPR was able to significantly improve performance in all of its responsibilities and to create enhanced procedures for dealing with allegations of employee misconduct.

This consolidation trend continues, and I have placed staff and responsibilities of the Office of Law Enforcement Ethics in OPR. Among other things, the office conducts the ethics training program for the FBI's Special Agent Trainees. This change will ensure that the entire OPR program is strengthened. The OLEE training program compliments the FBI's standards-of-conduct training program, which is administered by the FBI's Office of the General Counsel (OGC). Together, the two programs ensure that all FBI Agents and support personnel are well versed in both the standards-of-conduct and the broader ethical precepts that govern law enforcement. OGC and OPR coordinate the OLEE ethics curriculum.

The OPR framework now provides great efficiency for all aspects of this complex area of allegations of misconduct by FBI employees and increases the attention given to both internal ethics and discipline. It provides the logistics and mechanisms to ensure application of the most forward-looking policies.

At the same time, OPR brings greater rights and transparency to the important process of increasing objectivity and fairness for all employees, which are essential in any government dedicated to the rule of law.

For example, employees are now permitted counsel during disciplinary interviews. In addition, they have greater discovery and hearing rights as well as the right to appeal to a neutral board.

My goal is for the American public, as well as all employees, to have total confidence that the disciplinary system is fair and promptly identifies and punishes misconduct, without fear or favor. I am proud of the men and women of the FBI who carry out their work with total honesty and integrity. By erecting rigorous safeguards, we can reduce impropriety to the absolute minimum.

The only way to maintain the consistent excellence which has made the FBI a world-wide law enforcement model is to insist upon, to merit, and to relentlessly execute the responsibility to

police ourselves.

A new public OPR report shows that, in Fiscal Year 1997, 212 FBI employees out of a work force of 28,000 persons, or 0.8 percent of the total staff, were fired or disciplined for serious misconduct. Three Special Agents and 16 support personnel were discharged, and 96 Special Agents and 97 support employees were disciplined for improper behavior. In addition, 38 employees were terminated during probationary employment, resigned, or retired while they were the subjects of pending OPR investigations. Such separations, however, may occur for nondisciplinary reasons.

The FBI must have uncompromising integrity, and I will do everything within my power to achieve that goal.

Ethics Training

One of the major training breakthroughs that has been achieved at the FBI is the addition of ethics and integrity training for the new Special Agent curriculum and management training at the FBI Academy at Quantico. Ethics is the golden thread which runs throughout our training. It often is the difference between correctly applying the awesome power of law enforcement and conduct that undermines the rule of law.

Since 1994, the FBI has trained more than 3,700 new Special Agents. Because they will serve through the first quarter of the next century, the education they receive as new Special Agent Trainees builds the foundation for the future success of the FBI and the safety of society. In the 16 weeks of Special Agent training at Quantico, the FBI teaches new Agents the tools, techniques, and skills which they will need to operate most effectively in enforcing hundreds of laws.

Their grave responsibilities will include investigation of violent crime, drug trafficking, terrorism, espionage, civil rights, public corruption, environmental crimes, and white-collar crimes that rob the public.

Among the most critical training they receive is law enforcement ethics. A strong foundation in ethics directs the choices and decisions that these agents will have to make every day for decades. Without this strong foundation, our criminal justice system can be easily exploited by law enforcement officers sworn to protect the public, thereby subverting the confidence of the people we serve.

I believe so strongly in the importance of this training and its application to the law enforcement culture that I approved the creation of the Office of Law Enforcement Ethics in 1996. So far, this office has instructed more than 2,600 Special Agent

Trainees, plus Special Agents in the field, FBI Headquarters personnel, and over 6,000 local, state, and foreign law enforcement officers.

The topics of the ethics training include the higher ethical standard required of FBI personnel due to jurisdictional responsibilities, the ethical basis of the Constitution, classic philosophy on ethics, and the nature of criminal and serious misconduct.

Other topics include causes and prevention of law enforcement corruption, use of deception by law enforcement officers, ethical problems unique to law enforcement, and the relationship of ethics to law enforcement. All personnel are also trained in the standards-of-conduct governing Executive Branch employees both upon initial employment and annually thereafter, as prescribed by the Office of Government Ethics. Standards-of-conduct training includes discussion of the rules governing the acceptance of gifts from outside sources, conflicts-of-interests, outside activity limitations, and other matters. Personnel who are eligible for retirement are also briefed on the laws governing post-government service employment restrictions.

As an indication of the subject's importance, the training program for all new Special Agent Trainees now includes a 16-hour intensive course in ethics, and ethics matters are stressed throughout the entire training curriculum.

At the conclusion of the training, the Special Agent Trainee must be able to demonstrate the application of newly-learned ethical tools to actual situations in the field, using both case studies and special scenarios. In addition, the Trainee must demonstrate an understanding of both moral philosophy and moral decision-making. Finally, each graduating class selects a member of the New Agents Class to receive the Fidelity, Bravery and Integrity Award. This is the highest award for a new Special Agent and recognizes the critical components of law enforcement ethics.

The Office of Law Enforcement Ethics also provides ethics instruction to foreign law enforcement officers who receive training at the FBI Academy. In addition, OLEE personnel provide instruction to Eastern European law enforcement officers attending the International Law Enforcement Academy at Budapest. The FBI role is one of partnership--designed to increase the ability of the FBI to effectively combat international crime.

The concept of high standards for law enforcement is not new but it is sometimes forgotten or ignored or given short shrift. We should ponder the words of Attorney General Charles Bonaparte, who founded the Bureau of Investigation--which grew into today's

FBI. In 1909, Bonaparte wrote to President Theodore Roosevelt that he was determined "to establish a force of well educated investigators of good character, subject to extremely strict discipline and supervision."

Every person in law enforcement should take to heart those words written nearly a century ago.

And they lead us to the key question:

Would Attorney General Bonaparte be satisfied with the state of ethics and efficiency existing today in the FBI? I am confident that he would be, but that he would believe, as I do, that we can and will become even better.

Compliance with the highest ethical standards is essential for all law enforcement officers because one of history's darkest lessons teaches us what happens when the law is subject to the most horrifying misuse by police. The place was Nazi Germany and the time was the 1930s. The Nazi terror began not by breaking the law but by using the law, as the Holocaust Memorial so graphically shows us.

Hitler persuaded the German president to invoke a section of the German constitution that in effect suspended all civil liberties, thus permitting warrantless searches and seizure of property without due process. These emergency decrees became the legal basis for the concentration camps in which millions of innocent persons perished.

The decrees were initially carried out not by the Gestapo but by the regular civilian police in many cases. This is a lesson that no one should forget. Democracy depends on law enforcement to protect the rights of all citizens and to rescue them from harm. When police fail in this great responsibility, suffering and death follow. This lesson must be foremost in the minds of all in the FBI.

The FBI is determined that the grim meaning of the Holocaust will not be forgotten by its Special Agents.

CHAPTER TWO

FBI LEADERSHIP IN NATIONAL SECURITY

Leadership in national security means many things:

- Devising new ways to protect the public from harm.
- Taking every possible step under existing laws to combat the worst crimes.
- Developing more effective techniques to prevent all types of national security offenses.
- Reacting with the utmost speed and efficiency to deal with new types of national security crimes.

Those who commit national security offenses are tearing at the fabric of our legal system, the Constitution, and our freedoms. Their ultimate aim is the destruction of our democracy.

One of my major priorities has been to seek increased funding for the FBI's counter-terrorism programs. The Congress has shown great foresight in strengthening this vital work. For example, the counter-terrorism budget for Fiscal Year 1996 was \$97 million. The FY 1999 budget contains \$301 million for counter-terrorism efforts.

One of the national security crimes that has become more prevalent in recent years that is most frightening to all Americans is terrorism.

Some terrorism now comes from abroad. Some terrorism is home-grown. But whatever its origin, terrorism is deadly and the FBI has no higher priority than to combat terrorism; to prevent it where possible; and where prevention fails, to apprehend the terrorists and to do everything within the law to work for conviction and the most severe sentences. Our goal is to prevent, detect and deter.

Bombings in Africa

One of the cases that best illustrates how the FBI reacts to acts of terrorism occurred in the wake of the August 1998 bombings of the United States Embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. Twelve Americans were among the more than 250 persons killed in Nairobi and 10 persons were killed in Tanzania. More than 5,000 were injured.

Within hours, the first contingent of FBI Special Agents was on its way to both cities to begin an intensive investigation. At the height of our work there, 471 FBI Agents, FBI Laboratory experts, and other FBI specialists worked tirelessly at the sites

of both bombings. They collected evidence and worked closely with the very cooperative and committed law enforcement authorities of both nations.

I flew to East Africa to confer with FBI supervisors and personnel in both cities and to personally observe the progress of the investigations. I also met with leaders of Kenya and Tanzania, and we pledged our mutual cooperation to solve these dreadful crimes. Kenya and Tanzania gave us their complete support, for which the FBI and the United States are forever grateful.

One of my priorities has been to develop close ties between the FBI and its law enforcement counterparts in nations throughout the world--what I term "cop-to-cop" relationships that are essential to fight the new types of international crime that harm all law-abiding countries. This goal of close cooperation was of vital importance in the investigation of the Embassy bombings.

Within a short time, assistance from Kenya, Tanzania, Germany, and Pakistan helped the United States identify or detain suspects. Two persons were flown from East Africa to New York and both charged with murder. A third suspect was arrested in Texas.

On November 4, 1998, the major indictment in the case was returned in New York charging Usama Bin Laden, alleged head of the world-wide terrorist organization "al Qaeda," and Muhammad Atef, his military commander, with murder in the Embassy bombings. Mohamed Sadeek Odeh and Mohamed Rashed Daoud Al-'Owhali, who had been brought to New York from East Africa, were charged with murder. Wadih El Hage, who was arrested in Texas, was charged with conspiracy in the fatal bombings. The sixth defendant, Fazul Abdullah Mohammed, was charged with murder, and is a fugitive, along with Bin Laden and Atef.

In September 1998, German authorities arrested Mamdoud Mahmoud Salim on an international provisional arrest warrant coordinated through the FBI's Legal Attache office in Berlin. Salim, an Iraqi Kurd, was charged with conspiracy to murder U.S. citizens and use of weapons of mass destruction in the two Embassy bombings. In December 1998, Salim was extradited to the United States to face the charges.

In December 1998, five additional defendants were indicted on charges of bombing the U.S. Embassy in Tanzania and conspiring to kill American nationals outside of the United States. They are Mustafa Mohammed Fadhil, Khalfan Khamis Mohamed, Ahmed Khalfan Ghailani, Famid Mohammed Ally Msalam, and Sheikh Ahmed Salim Swedan. All are fugitives.

We seek to bring to justice every person who was involved in

the bombings. We will accomplish this using all available legal means for as long as it takes.

This case clearly shows the priority that the FBI places on the struggle against terrorism, wherever it is aimed at harming Americans and other innocent victims.

Foreign Terrorists in U.S.

Terrorism can be carried out by U.S. citizens or by persons from other countries. At one time, with these crimes erupting in much of the world, many Americans felt we were immune from terrorism with foreign links. All of that ended in 1993.

The type of terrorism which had previously occurred far from our shores was brought home in a shocking manner when in February a massive explosion occurred in the parking garage at the World Trade Center complex in New York City. Six persons were killed and more than 1,100 injured. The FBI led a coordinated law enforcement effort to determine who was responsible for this terrorist incident, and ultimately identified seven individuals, including Ramzi Ahmed Yousef. Six of the seven were convicted between 1994 and 1997 and are currently serving lengthy prison terms. One individual was indicted but remains a fugitive.

Following the World Trade Center bombing, Ramzi Ahmed Yousef surfaced in the Philippines where he and a group of co-conspirators plotted in 1995 to bomb U.S. commercial airliners in the Far East. Yousef was apprehended abroad in 1995 by FBI Agents and State Department Diplomatic Security Officers and ultimately convicted and sentenced to life in prison. Two co-conspirators were also found guilty in 1996.

A major terrorist incident was also prevented in 1993, when the FBI uncovered a plot to bomb a variety of government and critical infrastructure targets across the New York City area. The investigation culminated with multiple arrests. In 1994 and 1995, four defendants entered guilty pleas and ten defendants were convicted, including Sheik Omar Abdel Rahman. Sentences ranged from 15 years to life in prison.

In another major terrorist case in 1993, Mir Aimal Kasi, armed with an AK-47 assault rifle, shot five individuals as they were stopped at the entrance of CIA Headquarters in Langley, Virginia. Two CIA employees were killed and three were seriously wounded. A joint task force was established, consisting of FBI Agents and local detectives. For the next four years, an intensive investigation took place to locate and apprehend Kasi. Through careful coordination with other intelligence and law enforcement agencies, the FBI was able to locate and apprehend Kasi abroad in June, 1997. Kasi was returned to the United

States and stood trial in state court for murder. He was later found guilty and sentenced to death.

In 1996, an explosive device contained in a truck detonated outside Building 131 at the Al Khobar Towers in Dhahran, Saudi Arabia, that housed U.S. military personnel. The explosion killed 19 U.S. servicemen and wounded 280. The FBI has conducted an intensive investigation, and has worked with Saudi law enforcement officials to identify and to apprehend those responsible. The FBI has a firm commitment to find and prosecute the bombers, no matter how long it may take.

Through the efforts of FBI Legal Attache offices over an 18-month period, Mohammed Rashid, wanted for the 1982 bombing of a U.S. commercial aircraft, was detained while exiting a Middle Eastern airport. He was returned to the United States in June 1998 to face murder charges. FBI Legal Attaches are Special Agents stationed at U.S. Embassies abroad who work with foreign law enforcement agencies on crime problems of common concern, including locating and apprehending fugitives charged with offenses in the United States.

Domestic Terrorism--Federal Building Bombing

The 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City remains the worst terrorist attack ever to occur on American soil, killing 168 persons and wounding nearly 700 more.

It was a crime that shocked the nation and the world. The FBI immediately began one of the most intensive investigations in its history. Law enforcement cooperation played an unusually important part in the initial stages of the investigation: an alert Oklahoma State Police officer arrested one of the subjects on a traffic charge and he was held in custody as the FBI investigation unfolded.

FBI Agents and laboratory and evidence technicians combed the bombing site and Agents were able to link the person in custody to the bombing. The suspect, Timothy James McVeigh, was taken into custody by the FBI and the investigation stretched quickly over a number of states.

As the investigation expanded, the FBI also developed evidence against a second person, Terry Lynn Nichols, and he was also taken into federal custody.

For months, FBI Agents gathered evidence and conducted thousands of interviews as they worked closely with prosecutors from the Department of Justice. At the trial of McVeigh, the painstaking investigative work yielded great dividends for the law-abiding public and the rule of law: McVeigh was convicted of all 11 counts, including eight counts of first degree murder in

the deaths of federal law enforcement officers who died in the blast at the federal building. McVeigh was then sentenced to death.

In a later trial, Nichols was also found guilty in the bombing and he received a sentence of life in prison.

In both cases, the evidence gathered in the grueling investigation held up under the sharpest challenges. The credibility and trustworthiness of FBI investigators and Laboratory scientists were unanimously confirmed by the jury and the courts.

UNABOMB Case

One of the FBI's longest violent crime investigations went on for 17 years before ending in the capture of a man wanted for a series of fatal bombings. It was called the UNABOMB case--a code name selected because some of the bombs were set off on university campuses and one was placed aboard an airliner. During the 17 years, beginning in 1978, the serial bomber, later identified as Theodore J. Kaczynski, mailed or placed sixteen improvised explosive devices--killing three persons and injuring 23 others. A crucial development in the case occurred in 1996 when the bomber sent a manuscript to The New York Times and The Washington Post, and both newspapers set a new standard of public service when they published it at the FBI's request. Publication set into motion a series of events that led to the bomber's capture. Kaczynski was living as a recluse near a small town in Montana. The FBI conducted a search of his cabin pursuant to a warrant, found evidence linking him to the bombings, and arrested him. After the beginning of his trial, Theodore Kaczynski agreed to an unconditional plea of guilty to all of the charged acts, as well as bombings for which he was not formally charged. He was sentenced in 1998 to life in prison without possibility of parole.

Other Terrorism Cases

Another major domestic case involved members of the terrorist group Aryan Nation who set themselves up as an organization called the New Order and conspired to carry out a series of murders, robberies, and weapons violations. Following a careful FBI investigation, six persons were arrested on conspiracy and weapons charges. All either pleaded guilty or were convicted at trial, and sentences of up to seven years in prison were imposed. The FBI investigation showed that the targets of the plot included the Southern Poverty Law Center, the Simon Weisenthal Center in Los Angeles, the Anti-Defamation League of B'nai B'rith, Federal Reserve Chairman Alan Greenspan, and film director Steven Spielberg.

The FBI arrested members of the True Knights of the Ku Klux Klan before they could carry out a plot to bomb a natural gas processing and storage facility in Texas as a diversion to robbing an armored car. Three defendants received sentences ranging from 14 to 22 years in prison.

The FBI has worked closely with our law enforcement partners at home and abroad to bring terrorists to justice. Terrorist incidents are crimes against all humanity. Terrorists must be found, prosecuted and imprisoned. All law enforcement world-wide must cooperate in the fight against terrorists and in the efforts to prevent terrorist incidents wherever they may be planned. This cooperation is working. Between 1993 and 1998, ten individuals charged with terrorism were returned from abroad to the United States by the FBI working in coordination with other U.S. Government agencies and the countries in which those subjects were located.

New Terrorists

State-sponsored terrorism is no longer the only terrorism problem. There are new terrorists--loosely organized groups and ad hoc coalitions motivated by perceived injustices or ideologies, along with domestic groups and disgruntled individual American citizens. They have attacked the U.S. at home and abroad. Terrorists represent the very worst of criminals--they attack without regard to the lives of their victims, and they generate fear intended to intimidate nations and democracies. The growing and changing threat of terrorism in the United States has required a well-coordinated and decisive response from the federal law enforcement community. For example, the FBI established a Counterterrorism Center in 1996 after the Federal Building in Oklahoma City was bombed. Eighteen federal agencies maintain a presence in the Center. It was created to strengthen the FBI's ability to track potential terrorist threats, prevent attacks, and investigate events that do occur. The Center has provided invaluable assistance in recent terrorist incidents, including the attacks on the United States Embassies in Kenya and Tanzania.

Weapons of Mass Destruction

The threat of domestic terrorism, or international terrorism targeting U.S. interests, is a principal concern of the FBI and other government agencies. This concern is magnified when the terrorism involves a weapon of mass destruction (WMD). Recent national and international events have validated this point and illustrate the need for interagency preparedness.

In Washington, D.C., a container was found at the Anti-Defamation League that was believed to contain a chemical or biological agent. Fortunately, the contents proved harmless. In

Buffalo, NY, Stuart Lee Von Adelman was the first person arrested and prosecuted for fraudulently obtaining radioactive material. He posed as a professor of physics and acquired Cadmium 109 and Sodium 22 from legitimate sources in Missouri and California.

In 1995, Larry Wayne Harris, an Ohio resident, obtained three vials of bubonic plague from a Maryland firm using a fraudulent Environmental Protection Agency (EPA) authorization. Harris was convicted of Fraud by Wire. Also in 1995, four Minnesota men who were members of a militia organization were arrested for possession of the chemical agent ricin which they were planning on using against law enforcement officials. They were the first people convicted under the Biological Weapons Anti-Terrorism Act. In 1997, Thomas C. Leahy was convicted in a similar ricin incident that targeted his family.

WMDs have also been used on a larger scale. The bombings in Oklahoma City, OK; the World Trade Center in New York, NY; and the U.S. Embassies in Africa as well as the Tokyo subway sarin attack are tragic examples of terrorism on a large scale.

In 1995, to address events of this kind and bring organization to the federal government's response to a domestic WMD threat or incident, the President issued Presidential Decision Directive-39. PDD-39 established the FBI as the lead federal agency (LFA) in charge of the crisis management aspects of a domestic terrorism WMD threat or incident. The Federal Emergency Management Agency (FEMA) was tasked with LFA status in the area of consequence management.

To fulfill this responsibility, the FBI has implemented a program of interagency contingency planning, exercises, and a command control framework designed to coordinate federal resources and interface with responders from state and local agencies. This team approach recognizes each agency's role in a WMD incident or threat and is designed to take advantage of each agency's unique resources and abilities. Additionally, the concept ensures that federal assets will be available to augment state and local on-scene resources when the scope of an incident exceeds their capabilities.

The FBI is also actively engaged in WMD exercises at all levels. Recently, the FBI and the Department of Defense (DOD) hosted an interagency, national-level WMD field training exercise (FTX) during which the FBI established an interagency Joint Operations Center (JOC) and Joint Information Center (JIC). The FTX was very successful and validated the FBI's WMD response command and control plan. Additionally, the FBI has hosted and participated in numerous interagency WMD table top exercises (TTXs) and the Nunn-Lugar first responder exercises sponsored by the DOD.

Examples of this activity include six interagency regional training seminars hosted by the Milwaukee Field Division that focused on tracking potential terrorists and understanding WMD statutes. The Oklahoma City Field Division hosted a domestic preparedness conference attended by the governors and city officials from four states as well as representatives from DOD and FEMA.

Command, control, and coordination requirements exist beyond the on-site federal response. The ability of local and state agencies to understand how the federal WMD response functions and how national resources will be made available to augment their assets during a WMD incident is crucial. To accomplish this and in response to a plea from local and state authorities, the Attorney General recently established the National Domestic Preparedness Office (NDPO). The NDPO, an interagency organization under direction of the FBI, will provide state and local agencies across the nation a single point-of-contact to coordinate training and readiness.

At the strategic level of command and control, the FBI recently activated the new Strategic Information Operations Center (SIOC). This 40,000 square foot, \$20 million facility features the ability to manage several crisis situations simultaneously. A staff of up to 450 personnel may operate from SIOC, allowing the facility to meet the needs of all FBI operational divisions. SIOC operates on a 24-hour a day, 7-days a week basis providing support to FBI Headquarters executives and units, field offices and legal attaches throughout the world. SIOC's mission is operations coordination and information management, serving as the focal point for information flowing into and out of the FBI Headquarters and providing a single point of contact for operational reporting and requests for assistance Bureau wide. During a crisis, SIOC provides the facility, advanced technologies, communication links and trained staff to support the crisis managers and collaborative teams formed to deal with the situation. The SIOC has been designed to support simultaneous events which may have differing operational requirements and varying security levels. Information system resources can be quickly customized to support any event. Located on the fifth floor of the J. Edgar Hoover building, the SIOC facility is close to most of the principal Headquarters National Security Division and Criminal Investigative Division operational units, providing ready access as the situation warrants.

The FBI considers a WMD terrorism event an increasing possibility and is taking every step available to better prepare the FBI and the interagency community for this eventuality.

For the past several years the tactical response to a WMD situation has been the responsibility of the Critical Incident

Response Group's (CIRG) Hostage Rescue Team. During 1998 this responsibility was expanded to include the 1,100 Bureau SWAT field Agents. Protective equipment has been procured and an aggressive training package is being developed.

The National Center for Analysis of Violent Crime (NCAVC) has the capability to analyze communicated threats regarding Weapons of Mass Destruction matters. CIRG defines WMD to include nuclear, biological, chemical and large conventional explosive devices for use in domestic terrorism. An agreement exists which details the responsibilities of the various governmental agencies involved in the handling of WMD matters. In preparation for response to WMD issues CIRG has hosted a seminar on the psychological makeup and motivation of groups that have used WMD tactics in the past. A seminar held at Quantico featured Dr. Gerrold Post, a former CIA Director of Psychological Services, and Dr. Ian Reader, who has studied first hand the Aum Shinrikyo organization and their use of sarin gas in 1995 in the Tokyo subway system. CIRG has hosted other seminars on religious/extremist groups that may use WMD tactics as part of their apocalyptic vision. CIRG is continually sensitive to changing trends and organizations which may represent potential threats to the U.S. government and may have the inclination and methodology to use WMD.

NCAVC's Pale Horse Research Project involves a behavioral study of offenders who have previously engaged in WMD threats and activities. CIRG has signed an agreement with the Department of Energy's Office of Nonproliferation and National Security to establish a data base on past WMD offenders and incidents.

Espionage

Espionage is one of the crimes that inflicts immense damage to the security and interests of the United States. The FBI assigns significant resources to counter-espionage programs and has developed new and beneficial working relationships with other federal agencies to assist in these efforts.

In the past five years, I have made it a top priority to create and enhance closer, more productive ties with the Central Intelligence Agency.

These new relationships between the FBI and CIA are the best and most productive in the history of the long association between the two agencies. Ironically, the relationship we have forged now is better and more effective than the one existing at the height of the Cold War.

Great credit for the close new ties between the two agencies goes to John M. Deutch, who was the catalyst for significant improvements when he served as CIA Director, and they have been

carried out and expanded with wisdom and leadership by George J. Tenet, the current CIA Director.

Since the CIA and the FBI are both dedicated to the protection of the American people, full cooperation makes the very best sense--and produces the best results for the nation.

The CIA and FBI now have the closest possible working relationships on national security matters that are among the most sensitive concerns facing the nation: counterterrorism and counterespionage; the protection of intelligence; and the successful investigation and prosecution of cases.

The cooperation is also heightened by exchanges of personnel. High-level Central Intelligence Agency officials work in positions of great authority and line authority at the FBI, and FBI agents hold similar positions at the CIA. Such efforts are an absolute necessity in carrying out our responsibilities to all Americans.

The enhanced partnership has led to solid achievements in the never-ending struggle to ferret out those who have, in league with foreign governments, stolen classified information vital to the security of the United States.

These espionage cases affect the well-being of every American.

One of the most significant results of the new ties between the FBI and CIA is shown in the Aldrich Ames case.

Aldrich Hazen Ames and his wife, Maria Del Rosario Casas Ames, were arrested by the FBI in 1994, and charged with conspiracy to commit espionage. Ames was a 31-year employee of the Central Intelligence Agency who volunteered to spy for the KGB of the Soviet Union in 1985, while serving as the chief of a highly sensitive Soviet branch in the CIA's Directorate of Operations. The FBI's successful investigation resulted in Ames receiving a life sentence without parole. Rosario Ames was sentenced to 63 months in prison. The CIA made a major contribution to this vital case.

Harold J. Nicholson was arrested for conspiracy to commit espionage in 1996, as he attempted to leave the United States for a meeting with agents of the Russian Intelligence Service. He was the highest ranking CIA official ever to be convicted of espionage. Nicholson pled guilty in 1997 to one count of conspiracy to commit espionage. He was sentenced to 23 years and 7 months in prison. This case again shows the benefits of the close working relationship between the FBI and CIA, and the invaluable contributions that the CIA can make to ensure successful investigative accomplishments.

Earl E. Pitts was arrested in 1996, and charged with conspiracy to commit espionage, attempted espionage, and communication of classified information by a government officer. Pitts, a 13-year veteran Special Agent of the FBI, provided the KGB with sensitive, classified FBI counterintelligence information from 1987 until 1992. Pitts was successfully prosecuted after the FBI conducted a difficult undercover operation which succeeded in reactivating Pitts, a trained counter-intelligence officer himself, and that provided the strongest evidence of his crimes. Pitts was sentenced to 27 years imprisonment. This case shows that spies can be anywhere, and the FBI is determined to find them even if they are on our own rolls.

It is profoundly disturbing that an FBI Special Agent would be a spy for a foreign government. But I am proud that the FBI pursued this case so vigorously, letting the chips fall where they may. The FBI policed itself, even where the most treacherous crimes were involved. The FBI maintained the highest standards in pursuing this case to a successful conclusion.

Late in 1998, the FBI arrested 10 persons in Florida on charges of conducting espionage activities against the United States on behalf of the government of Cuba. The arrests marked the culmination of a lengthy and precedent-setting investigation into Cuban efforts to spy on federal agencies and installations.

In a long and complex investigation by the FBI and other agencies, the government made these allegations in accusing David Sheldon Boone of being an agent of the KGB: In 1988, Boone, a U.S. Army sergeant assigned to the National Security Agency at Ft. Meade, volunteered at the Soviet Embassy in Washington, D.C. During two meetings in the Soviet Embassy complex, and during meetings in Germany following his transfer to Field Station Augsburg, he compromised Top Secret signals intelligence information. In 1991, the Army revoked his clearances and he was reassigned to duties without access to classified information. Shortly thereafter, his contact with the KGB was discontinued. He retired from the Army in 1991. The KGB paid him approximately \$60,000 during 1988 through 1991. Boone was arrested following a joint investigation by the FBI and the U.S. Army Foreign Counterintelligence Agency with significant assistance from the National Security Agency. Boone earlier was telephoned by an FBI operational asset, and Boone agreed to meet in London. An undercover operation was conducted in London with the cooperation of the British Security Service during which Boone detailed his prior cooperation with the KGB and agreed to travel to Washington, D.C., for a subsequent meeting, where he was arrested. Late in 1998, Boone pleaded guilty in U.S. District Court in Alexandria, Virginia, to conspiracy to commit espionage.

The FBI investigation of Theresa Squillacote and her

husband, Kurt Stand, was predicated on highly reliable information indicating she and her husband were recruited by the former East German Intelligence Service. The investigation determined that they continued their intelligence activities in the United States following the 1990 German unification and during a subsequent FBI undercover operation. They were arrested and following a two-week trial were convicted in 1998 of four counts of espionage.

Another espionage case involving the former East Germany also was investigated successfully by the FBI. The case involved James Clark and allegations that he was recruited by the former East German Intelligence Service. The investigation and a subsequent undercover operation determined conclusively Clark was continuing unlawful clandestine intelligence activities in the United States. He was arrested and pleaded guilty in 1998 to violations of the espionage statutes.

In 1998, Dr. Peter H. Lee, a former Department of Energy scientist, was sentenced on one count of espionage and one count of making false statements to the U.S. Government committed on behalf of the Peoples' Republic of China (PRC). This concluded a seven year investigation by the FBI of Lee which resulted in his interrogation and confession to passing classified information to representatives of the PRC's nuclear weapons development program. The illegal activities for which Lee was charged were committed while he was employed as a research physicist at the Los Alamos National Laboratory in the mid-1980s.

New Strategies

One of the FBI's most important initiatives in the past five years was the development of new strategies and tactics to use in what have become known as "stand-off" situations--cases where groups of armed persons charged with illegal acts barricade themselves in compounds and threaten to use force to block arrests.

The new strategies were developed after the incidents at Ruby Ridge, Idaho, and the Branch Davidian compound in Waco, Texas. One of my first priorities upon joining the Bureau was to develop new plans for resolving standoff situations through negotiations and without harm to anyone while still doing everything necessary to make certain that the law is enforced.

The FBI reviewed its policies regarding use of deadly force and stand-off situations and then created new procedures. One of the first major steps was creation of the Critical Incident Response Group. Among other capabilities, CIRG developed a new, balanced approach to hostage and standoff situations: highly-effective negotiations techniques supported by excellent tactical capabilities if needed. These new policies and approaches

received their first test in 1996. The case involved the self-proclaimed "Freemen" in Montana. "Freemen" members had committed numerous criminal acts including conspiracy, bank fraud, mail fraud, wire fraud, false claims, threats to Federal officials, and weapons offenses. In March 1996, two Freeman were arrested by members of The Hostage Rescue Team and an 81-day stand-off ensued with the remaining subjects located on the "Freemen" farm property. Through negotiations and law enforcement patience, the remaining individuals peaceably surrendered after three months and the stand-off was successfully resolved without injury to anyone. Seventeen of the Freeman had been convicted by late October 1998 and charges were pending against five others.

Economic Espionage

The FBI worked diligently to support the drafting and subsequent passage by Congress of the Economic Espionage Act. The new statute, signed into law in October 1996, created historic, new Federal criminal jurisdiction regarding both state-sponsored and the commercial theft of trade secrets.

Economic Espionage involves the theft of trade secrets and intellectual property and threatens our country's economic health, competitiveness, and security. Our Nation's economic security is synonymous with our national security. Losses to businesses from theft and misappropriation of intellectual property and trade secrets are estimated at billions of dollars per year. The Act created federal jurisdiction regarding both state-sponsored and commercial theft of trade secrets, and the FBI enforces the statute. Notable cases have been investigated by the FBI in a short time, with key indictments brought and some convictions already obtained.

The Act carries a maximum penalty of 15 years in prison for diverting or stealing a trade secret on behalf of a foreign government. It contains a 10-year penalty for commercial theft of trade secrets not involving a foreign power. Both types of cases have been successfully investigated by the FBI.

In one case, a man pleaded guilty to theft of trade secrets involving the development of a new razor by the Gillette Company. The successful investigation prevented a potential loss to Gillette of hundreds of millions of dollars. The defendant, a former employee of a Gillette contractor, was sentenced to 27 months in prison.

In another economic espionage case investigated just prior to the Act's passage, a former official of the Eastman Kodak Company pleaded guilty to interstate transportation of stolen property from the firm and was sentenced to a year in prison.

Other pending cases involve alleged efforts to steal

manufacturing information for an anti-cancer drug and medical test equipment.

In addition, FBI investigations led to these prosecutions: the indictment of a man on charges of attempting to purchase blueprints on mining technology; charges against several persons on charges of trying to sell a newspaper's confidential business information to a competitor; charges against two persons who allegedly attempted to sell prototype computer processor chips to a competitor.

In all, a dozen cases have been brought under the Economic Espionage Act since its passage, and many more cases are under investigation.

Infrastructure

In February 1998, the National Infrastructure Protection Center (NIPC) was created by Presidential Decision Directive and placed within the FBI to help guard against efforts to harm the nation's critical infrastructure--which includes computers and telecommunications, banking, electric power, gas and oil systems, water supplies, and government operations.

Through a variety of efforts by the FBI and other Federal agencies, NIPC and other parts of the FBI work closely with state and local law enforcement agencies and the private sector components of the infrastructure.

For example, NIPC utilizes the capabilities of Computer Investigations and Infrastructure Threat Assessment Teams located in each of the FBI Field Offices throughout the U.S.

NIPC provides support to FBI field offices in the form of training and materials. NIPC is building a centralized database to identify the different types of problems that occur. The FBI field offices are communication conduits for infrastructure protection issues within the law enforcement community. It is their responsibility to assist other law enforcement agencies in becoming aware of potential vulnerabilities, identifying them, and finding information with which to mitigate or eliminate the risk.

There are currently six National Infrastructure Protection and Computer Intrusion (NIPCI) Squads - Washington, D.C., New York, Los Angeles, Dallas, Chicago and San Francisco. Four new Squads are under consideration for FY 1999 - Atlanta, Boston, Charlotte and Seattle.

A NIPCI Squad is formed on the basis of the number and concentration of the following critical infrastructure sites in a geographic area: U.S. Government agencies, including the

Department of Defense and the Department of Energy; financial institutions; universities; and the internet service providers. Site selection also is dependent on the number of personnel who have the technical and computer skills. This allocation is based on the FBI's mission to prevent, respond to, and investigate cyber attacks on this nation's critical infrastructures and to oversee FBI computer crime investigations conducted in the field.

The FBI has identified automated information systems as the greatest area of potential exposure within law enforcement today.

Long before NIPC was created, the FBI was very active in the infrastructure protection field and in 1996 created the Computer Infrastructure Threat Assessment Center. One example of that early work and its expansion is shown by the Cleveland Field Office, which in 1996 organized Information Technology Managers and professionals representing the eight critical infrastructure areas into a group known as InfraGard. This organization consisted of representatives from the business community, academia, other Government agencies and the FBI in a cooperative effort in the exchange of information to ensure the protection of our critical information infrastructure. InfraGard members exchange and disseminate information regarding illegal intrusions, disruptions and vulnerabilities of the information systems of the participating members. From the initial core group of twelve members, the Cleveland chapter has now grown to more than 70 members as a result of the successes of Cleveland's initiative. InfraGard Chapters are also now operating in Columbus, Ohio, and Indianapolis, Indiana. Cleveland's prototype InfraGard Chapter is serving as a model for the establishment of chapters nationwide.

CHAPTER THREE

TOOLS AND RESOURCES TO SUPPORT INVESTIGATIONS

To combat crime and protect the American people, it is imperative that the FBI have sufficient resources to accomplish this mission.

Part of those resources are human resources--the very best Special Agents and other specialists and personnel.

Part of the resources are financial--funds that enable the FBI to not only fight crime on an effective basis but to be able to deter and defeat criminals in the constant struggle to uphold the rule of law.

Part of the resources are technical--to be able to use the best cutting-edge equipment and technology against every type of crime.

Possessing these resources will enable the FBI to make the leap into the 21st Century now:

- Showing great wisdom, Congress has greatly increased FBI budgets for priority enforcement programs.
- The larger budgets have enabled the FBI to significantly increase its complement of Special Agents and other highly-trained employees.
- Better planning has enabled the FBI to take agents from less productive jobs at Headquarters and put them back into our high priority Field Office operations.
- Use of contract Special Investigators to perform applicant background investigations has enabled the FBI to redirect field office Special Agent resources to higher priority criminal and national security threats.
- The FBI's Laboratory has been greatly improved and has received a vitally-important accreditation.
- New scientific techniques now allow the FBI to identify dangerous offenders who would otherwise evade law enforcement.
- Information sharing is the standard today for all of law enforcement, and the FBI is the leader in a range of programs that are making breakthroughs in such vital areas as instantaneous notification of information on offenders and computerization of fingerprint comparisons.
- Where once the FBI could do little beyond our borders, today we have fashioned working relationships of real substance with police departments around the world and have expanded a network of foreign offices to aid in the fight against the worst crimes faced by all countries.

It must be emphasized here that the most important tool possessed by the FBI is the law--the law that guides all of our actions, the law that enables us to protect the public from harm, the law that ensures the rights of the public will be protected.

Budgets and Personnel

Since Fiscal Year 1994, authorized personnel levels have grown by nearly 16 percent, including the addition of more than 1,300 new Special Agent positions and almost 2,600 new professional support positions. In terms of dollars, the FBI's budget has increased from \$2.1 billion in Fiscal Year 1994 to \$3.0 billion in Fiscal Year 1999.

Factors that led Congress to increase the FBI's budgets include the major problems and threats of terrorism, organized crime, drug trafficking, new crime threats from abroad, health care fraud and other white collar crime, and crimes against children.

During this period of budget growth, the FBI has implemented the major elements of a strategic management system and has integrated these elements into the budget process. The FBI Strategic Plan brings results-oriented program management to resource allocation; the three tiered structure of its operational strategic goals are the roadmap for justifying and prioritizing all future budget enhancements. Individual program plans establish the specific goals, strategies, critical success factors, resources, and performance measures necessary to conduct proactive program management in line with the overall FBI Strategic Plan. Field Office plans establish the regional component of this strategic management system, with Special Agents in Charge (SACs) prioritizing their efforts and committing to performance targets.

From October 1, 1994, to September 30, 1998, the FBI hired 3,705 new Special Agents which was 32 percent of the entire Special Agent work force on 9/30/98. The authorized number of Special Agents for Fiscal Year 1999 is 11,698 and the authorized number of professional support personnel is 17,033 - a total work force of 28,731.

Legal Attache Program

The FBI Legal Attache program is an important tool in the Bureau's efforts to combat growing international crime. The Legal Attaches are senior FBI Special Agents, stationed at U.S. Embassies, who work closely with the law enforcement agencies of the host countries on common crime problems.

With transnational crime a grim and growing fact of life, the Legal Attaches of the FBI have taken on great new

significance.

They serve the nation as a critical public safety asset abroad to aid investigations that are being carried out in the United States. They also cooperate with local authorities against host-country crime problems that threaten United States interests or have already gained a foothold in the U.S.

The importance of the Legal Attaches cannot be exaggerated in an era where the United States is not only fighting home-grown crime but is turning ever-increasing attention to crime that has a foreign source.

Legal Attaches are the country's first line of defense beyond our borders. As a distant early warning system they are part of a presence that is alert to the real and potential perils around the world. Their goals are simple - to stop foreign crime as far from American shores as possible and to help solve as rapidly as possible those international crimes that do occur. FBI Legal Attaches are in place to facilitate the international battle against crime and terrorism by establishing operational links with foreign law enforcement agencies.

In the last five years, the world has seen a vast increase of crimes committed with an international connection. The sophistication and power of international organized crime groups have increased. The FBI must have an active and growing overseas presence that fosters the establishment of effective working relationships with foreign nations.

There is no substitute for these "cop-to-cop" relationships. We can learn from our foreign police counterparts. They can learn from the FBI. Through training and working on actual cases and criminal threats, the cause of law enforcement everywhere is strengthened.

In 1993, the FBI had 21 Legal Attache offices abroad, staffed by a total of 55 Special Agents. By 1998, the number had grown to 32 offices staffed by 83 Special Agents and 70 support personnel. In addition, the FBI has a senior Special Agent assigned to the International Law Enforcement Training Academy in Budapest who serves as the Bureau's contact with the Hungarian government.

The Legal Attache offices are located in Athens, Greece; Bern, Switzerland; Berlin, Germany; Brussels, Belgium; Cairo, Egypt; Kiev, Ukraine; London, England; Madrid, Spain; Moscow, Russia; Paris, France; Pretoria, South Africa; Riyadh, Saudi Arabia; Rome, Italy; Tallinn, Estonia; Tel Aviv, Israel; Vienna, Austria; Warsaw, Poland; Bangkok, Thailand; Bogota, Colombia; Bridgetown, Barbados; Buenos Aires, Argentina; Canberra, Australia; Caracas, Venezuela; Hong Kong, Peoples Republic of

China; Islamabad, Pakistan; Manila, Philippines; Mexico City, Mexico; Montevideo, Uruguay; Ottawa, Canada; Panama City, Panama; Santiago, Chile; and Tokyo, Japan.

In November 1998, the Congress approved creation of five additional Legal Attache offices, in Almaty, Kazakhstan; Ankara, Turkey; Copenhagen, Denmark; Brasilia, Brazil, and Singapore. The Congress also approved nine Special Agents for the five new offices and three additional Special Agents for the existing offices.

The major function of Legal Attaches is enlisting the cooperation of foreign law enforcement on a large number of cases, enabling the arrest of many U.S. fugitives, and solving serious U.S. crimes. All of the FBI's field offices have sought Legal Attache assistance. More than 80 percent of the current case load handled by Legal Attache offices is in direct support of domestic FBI investigations, including the priority of helping to arrange the arrest and extradition to the United States of wanted criminals.

Legal Attaches in fiscal 1998 handled over 23,900 investigative matters, ranging from kidnaping to drug trafficking, from terrorism to money laundering, from financial fraud to extortion. These agents and support staff serve as the conduit through which law enforcement information and cooperation flow between the United States and foreign nations.

The value of the Legal Attaches program was shown again following the recent bombings of U.S. Embassies in East Africa. Legal Attaches posted in Pretoria, South Africa, and Cairo, Egypt, were the first FBI Agents to arrive in Nairobi and Dar es Salaam, respectively, in the immediate aftermath of the terrorist bombings. This is particularly significant because they responded from offices that were approved by Congress and opened in 1997.

For example, the Legal Attache from Pretoria was "on-the-ground" in Nairobi in a matter of hours. This was critical from an investigative standpoint because of key steps necessary to initiate an investigation and prevent further loss of life. Those steps included the establishment of FBI law enforcement liaison with the Chief of Mission and Embassy team, to allow for necessary decision-making to move forward; liaison with Kenyan government and law enforcement authorities, leading to a joint investigative effort; and the preservation of the crime scene and critical evidence as priority life saving efforts were underway. In an effort of this magnitude, the logistical arrangements surrounding the deployment of scores of FBI investigators and other experts from the U.S. on short notice can be a monumental task.

An almost identical sequence took place in Dar es Salaam. An FBI Special Agent from the Legal Attache Office in Cairo also arrived in Tanzania within a matter of hours. Clearly, in both cases, the response to these deadly terrorist bombings was greatly aided by the presence of the established Legal Attaches in Africa. In years past, Agents would have had to respond from Europe or elsewhere, greatly delaying the arrival and the FBI's ability to respond effectively to the crimes.

Following the August 1998 bombings of the two United States embassies in East Africa, the FBI instituted the Rapid Deployment Team (RDT) concept to more effectively deploy large numbers of personnel to crime scenes in nations that are receptive to ongoing joint investigations. The ability to arrive on the scene with pre-constituted investigative, administrative, and logistical support elements is paramount to the successful conduct of a major investigation. The five Rapid Deployment Teams, each led by a Special Agent in Charge and an Assistant Special Agent in Charge, who are selected on their proven abilities in large scale crisis situations, have been established in FBI field offices in Los Angeles, Miami, New York, and the Washington Field Office, which has two teams. Each field office will augment the leadership role with five Supervisory Special Agents. Special Agent investigators and support personnel constitute the bulk of the team and are selected based on investigative need. As RDTs are designed to be fully deployed in response to bombings of United States interests, they will be augmented by a cadre of Special Agent Bomb Technicians. Evidence Response Teams and security specialists will also join the deploying RDT from the host field office or from other available divisions. Communicators and logisticians will be encompassed in the RDT concept as will language specialists, as needed, and expert forensics personnel from the FBI Laboratory.

Future major deployments of the FBI to foreign locations are expected to consist of three distinct tiers. The initial responders to the crime scene will include the assigned Legal Attache from a post abroad who will have the ability to communicate initial reports upon which the main body deployment team will rely for appropriate staffing and equipment. Within four hours of notification of an incident predicated RDT response, an Advance Team will depart from the Washington, D.C., area in a fast jet aircraft. The Advance Team will include a command element, an investigative component, logistics personnel, communicators, personnel from the Critical Incident Response Group who will be able to assist in the structuring of a forward command post, and physical security specialists who will report on the perceived continuing threat to responding FBI personnel and the need for additional physical security at the crime scene and housing for FBI personnel. The third tier of the FBI response potentially involves a full RDT which consists of approximately 160 members. As the needs of the scene dictate and

with the concurrence of the host nation, the FBI will dispatch additional personnel to accomplish evidence gathering and investigative missions.

FBI Laboratory

I have long believed that the FBI Laboratory is the finest criminal forensic institution in the world. As a Special Agent, Prosecutor, and Judge, I relied on its professionalism, expertise, and integrity. All of us in the Bureau were therefore very gratified late in 1998 when the Laboratory was formally accredited by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board.

The accreditation had been one of my goals since becoming FBI Director, and it culminates a long-term Bureau commitment to continual improvement through the tireless work and leadership of the Laboratory staff. This certification is a tangible demonstration of the Laboratory's continued excellence and scientific leadership beyond a shadow of a doubt.

Major Advances In DNA

A short time later, the Laboratory again provided evidence of its dedication to positive change and excellence when it introduced a new tool for fighting violent crime--the National DNA Index System (NDIS).

NDIS enables public forensic laboratories throughout the United States to exchange and compare DNA profiles electronically, thereby linking unsolved serial violent crimes to each other and to known sex offenders.

There will be a significant crime prevention benefit as this new DNA program identifies serial offenders who might otherwise escape detection for their repeat crimes.

All fifty states have passed legislation requiring convicted offenders to provide samples for DNA databasing. These states have collected approximately 600,000 DNA samples and analyzed more than 250,000. All fifty states have been invited to participate in NDIS and it is expected that all states will contribute their convicted offender DNA profiles to NDIS.

The FBI is the first laboratory in the U.S. to use DNA profiles to identify positively a specific individual as the source of a stain. In the past, the FBI would provide a number indicating the statistical probability of a DNA match. However, as of October 1, 1997, the FBI can provide testimony that the questioned biological material came from a specific individual to the exclusion of all others, if presented with sufficient DNA typing information. The first FBI Lab report reflecting the new

policy was issued in October 1997 after the investigation of a serial rapist from Milwaukee, Wisconsin. A correctional officer was charged with the kidnaping and first degree sexual assault of a Milwaukee woman. An FBI examiner testified at the trial that the correctional officer was the source of the semen found on the victim's clothing. Despite the rape suspect having four alibi witnesses - including his police officer wife - the man was convicted. According to the Assistant District Attorney who prosecuted the case, the DNA evidence presented at the trial was largely responsible for the conviction.

CODIS is a national database of DNA profiles from convicted offenders, unsolved crime scenes and missing persons. CODIS allows State and local law enforcement crime laboratories to exchange and compare DNA profiles electronically, thereby linking serial violent crimes (especially rapes) to each other and identify suspects by matching DNA from crime scenes to convicted sex offenders. CODIS has recorded over 400 matches linking serial rape cases to each other or identifying suspects by matching crime scene evidence to known convicted offenders. These matches have aided hundreds of violent crime investigations. CODIS is installed in 94 laboratories in 41 States and the District of Columbia.

Mitochondrial DNA (mtDNA) analysis is a powerful new forensic analytical tool which has been implemented in the FBI Laboratory. MtDNA analysis is applied to forensic specimens such as hairs, bones and teeth and is the most sensitive of all the forensic DNA techniques. It has been used to associate a single hair from a crime scene to a suspect and identify the skeletal remains of previously unidentified missing children. The Laboratory is currently the only law enforcement forensic laboratory in the U.S. capable of performing such analysis.

Approximately 25 percent of the DNA results indicate that an individual is excluded as a suspect. DNA analysis has also been used to establish innocence after trial. In 1989, a violent sexual assault occurred in Wisconsin. The defendant was arrested, charged and convicted of the crime. A biological sample from the convicted offender was re-typed using mtDNA technology and the results excluded him. Based on the mtDNA results, the defendant was subsequently released from prison.

In 1995, the Laboratory Division began developing basic capabilities for responding to and resolving the scientific, forensic and technical aspects of incidents involving chemical, biological and nuclear (CBN) materials. The FBI is establishing an effective, multifaceted forensic technical response capability within the FBI Laboratory for CBN terrorism incidents and environmental crimes. This capability is managed by the Hazardous Materials Response Unit (HMRU) which was formed in May 1996. Eventually, the HMRU will manage programs in the areas of:

biological, chemical and radiology hazards; environmental crimes; health/safety; emergency response/training; information management and operations/logistics.

During 1997, the Laboratory initiated the development of mobile, modular laboratories deployable by ground, sea or air to support on-site forensic analyses and examinations in a wide spectrum of environments. These laboratories will support the collection, preservation, screening and field analysis of evidentiary materials collected at the scene of major terrorism events.

With the increased threat from sophisticated explosive devices, such as chemical/biological devices and large vehicle bombs, the Laboratory has a commitment to provide advanced technology to the U.S. bomb technician community. Significant efforts have and will continue to take place to improve the quality of training and support at the FBI's Hazardous Devices School at the Redstone Arsenal through equipment upgrades, instructor training and facility improvements.

DRUGFIRE is an automated computer technology which is capable of making otherwise unidentified links between firearms-related evidence. It was developed to assist the FBI and State and local law enforcement agencies in the fight against violent crime. DRUGFIRE is operational at 125 sites, with another 50 laboratories expected to install DRUGFIRE by the end of 1999. Nationwide, over 92,000 evidentiary images from over 167,000 criminal investigations have been entered in DRUGFIRE.

The FBI Laboratory is cooperating with the Bureau of Alcohol, Tobacco and Firearms (ATF) to make DRUGFIRE interoperable with ATF's ballistics imaging system under the NIBIN Program.

The Laboratory is developing a forensic capability known as World Forensic Automated Counterterrorism System (World FACTS) that will share information on evidence (explosives, firearms, latent fingerprints) in terrorist incidents with other forensic laboratories. The Laboratory is deploying proven forensic database systems to allow foreign national police organizations to share information from evidence collected in international terrorist incidents. Initially, this initiative will focus on Canada, Germany, Italy, United Kingdom, Japan, France, Russia and the United States.

Laboratory Partnerships

The Laboratory has established partnerships with the Department of Energy, Department of Defense, other government agencies, national laboratories, and other Federal, State, and local laboratories and industry to allow for the highest degree

of access and coordination in order to take advantage of emerging technologies to better serve all Laboratory customers.

The impending move of the FBI Laboratory to a location near the Forensic Science Research and Training Center at the FBI Academy at Quantico, Virginia, will result in the largest law enforcement applied science and technology enclave in the world. This will provide an unprecedented level of leadership and sponsorship of the application of science and technology to law enforcement and intelligence operations. A special priority will be placed on research and development functions in the new FBI Laboratory. In addition to its other functions, the new Laboratory will be a teaching facility that places emphasis on being a training center for state and local law enforcement agencies. The Laboratory also will foster with other laboratories an exchange of scientists, and will create internships and fellowships to aid in its exchange and teaching programs. Facilities will be available for the hosting of representatives from academia and other agencies for the purpose of conducting planning, peer review, training and research. Advanced systems for distance learning technologies for the dissemination of applied science and engineering information will be utilized.

Engineering/Infrastructure Branch

Late in 1998, the Engineering-Infrastructure Branch of the Information Resources Division was transferred to the Laboratory Division. This reorganization places all applied science and engineering activities under single management of the Laboratory. The new combination will result in greater effectiveness and increased efficiency in the advanced technical capabilities the FBI requires to fulfill its mission.

Decryption Support Resources

The FBI has conceptualized and proposed the establishment of a program to serve as a centralized civilian resource for reverse engineering, processing and decrypting lawfully intercepted digital communications and electronically stored information. In support of this effort, \$7 million will be requested for equipment and services in the FBI's FY 2000 budget to Congress.

Research and Development

The FBI Laboratory is recognized as a world leader in the scientific analysis of evidence for the solution of crimes. Since its inception, the FBI Laboratory has consistently strived to enhance its services to the law enforcement and criminal justice communities through the research, development, and deployment of new or advanced forensic techniques and protocols. Through the Forensic Science Research and Training Center,

located at the FBI Academy, the FBI Laboratory conducts research to develop new techniques of forensic analysis.

During 1998, the FBI Laboratory received \$5 million through the Attorney General's Counterterrorism Fund to pursue several major Research and Development efforts. In support of these R&D projects, the FBI used two primary acquisition vehicles: 1) The FBI awarded 11 R&D projects through a Broad Agency Announcement 2) A Memorandum of Understanding between the FBI and the Department of Energy was established and funding was provided for 18 major R&D projects. The following highlights the critical technology initiatives for targeted R&D efforts: Explosives Detection Technology; Forensic Evidence Analysis and Crime Scene Technology; Information Infrastructure Technology; Victim/Terrorist Identification; and Specialized Training. The Laboratory has also initiated relationships with several universities, industry partners and national laboratories to further develop the Laboratory's extramural R&D program. In addition, the Laboratory has increased support/membership in relevant working groups, domestic and international, to achieve synergistic collaboration for current and future R&D efforts.

The FBI has instituted changes in the organizational structure of the FBI Laboratory in an effort to improve effectiveness and strengthen management of programs:

- ! Appointed an internationally respected scientist as an FBI Assistant Director in Charge of the Laboratory following a national search.
- ! Established a new position of Deputy Assistant Director for Science.
- ! Establishing four senior-level scientist positions: Biologist, Biochemist, Chemist, and Physical Scientist.
- ! Established new units to address Chemical, Biological and Nuclear crime scene forensic needs and to implement Mitochondrial DNA examinations.
- ! Formed and strengthened the Quality Assurance Program.
- ! Enhanced the Evidence Response Team program, Computer Analysis and Response Team, the Bomb Data Center, and the Hazardous Material Response Unit.
- ! Enhancing educational opportunities for laboratory personnel.
- ! Establishing a program to provide a group of senior examiners with specialized in-depth training on the management of major cases and evaluation of emerging needs.
- ! Established technical working groups in the forensic community in various disciplines to develop and standardize protocols and analytical practices.
- ! Instituted new casework protocols to ensure consistent and quality scientific practices.

- ! Dedicated funding to modernizing laboratory equipment and instrumentation.

Much of the credit for the major improvements in the FBI Laboratory goes to the internationally-recognized physicist I appointed Director of the Laboratory in October, 1997. Under his leadership, the Laboratory has made great strides in a short time. The Laboratory head earlier served as Director of the Los Alamos National Laboratory and held high-level posts at the Department of Energy, where he was responsible for nuclear weapons development, testing, and production.

The FBI Laboratory will relocate to a new \$130 million facility at the FBI Academy in Quantico, Virginia. The FBI broke ground in the fall of 1997. Construction is expected to be completed by the summer of 2001 and occupancy will be phased in during the summer-fall of 2001.

Critical Incident Response Group (CIRG)

In the aftermath of the Branch Davidian Case in Waco, Texas, the Critical Incident Response Group (CIRG) was created in 1994 to successfully integrate the tactical and investigative expertise of the FBI into one organization to address terrorist activities, hostage taking, barricaded subjects, and other crisis situations which necessitate immediate law enforcement response.

The CIRG will also deploy investigative specialists to respond to child abduction, serial murder, or other high-risk repetitive violent crimes. The CIRG includes the Hostage Rescue Team, which now reports directly to the Special Agent in Charge who directs CIRG; Operation Training Section (SWAT); Crisis Management Unit (CMU); Crisis Negotiations Unit (CNU); the National Center for Analysis of Violent Crime (NCAVC), which includes the former Child Abduction Serial Killer Unit and the Profiling Behavior Assessment Unit; the Violent Criminal Apprehension Program (VICAP) Unit; and the Aviation and Special Operations Unit (ASOU).

All of these units work closely with FBI field operations. For example, in one of these priority areas, I have set up a program that designates two Special Agents in each of the FBI's 56 Field Offices to concentrate solely on crimes against children. In addition, of course, other Special Agents are assigned to these offenses on a priority basis as needed and our Field Offices work closely with local and state authorities on crimes against children. Recent legislation in the crimes against children area has provided 33 additional support positions and 12 agent positions to the NCAVC and VICAP units. Under the Crisis Management Strategic Plan, CIRG has provided Crisis Management training to over 2,000 FBI employees during the past two years.

Since 1994, the CIRG has provided operational support for numerous critical incidents, including such weapons of mass destruction cases as the bombings of the Oklahoma City Federal Building, the World Trade Center in New York, the Centennial Park at the Olympic Games in Atlanta; the "renditions"--or return to the United States--from foreign countries of important fugitives to face terrorism charges in Federal courts; a variety of other fugitive investigations; the Freeman investigation; the crash of TWA Flight 800; and support for kidnaping investigations.

New Technology

Advanced technology has changed the way FBI Agents do their job every day. For example, the FBI initiated the Technology Assisted Search Program to provide our Agents and domestic and international law enforcement agencies with an important new search tool. It employs archeological methodology and remote-sensing geophysical equipment--such as ground penetrating radar, earth conductivity meters, magnetometers, and sophisticated metal detectors--to locate forensic evidence buried underground or clandestinely concealed in buildings or other structures. This technology aids prosecution by locating evidence, such as buried human remains, drug and money caches, weapons and projectiles, tunnels and hazardous waste sites.

Recognizing changing technology and the needs and abilities of FBI Agents, I insisted that we issue a laptop computer in addition to the traditional Agent equipment (handgun, credentials, badge) to each new Special Agent. The FBI also has computer-based training rooms and a computer training unit dedicated to training all FBI personnel in the latest computer technologies to enable them to better perform their jobs. The use of computers has made the FBI more efficient in many ways. The use of computers has also made the FBI's job more challenging. The widespread use of computers and the rapidly developing technology of computer systems have combined to dramatically increase the volume and complexity of computer evidence in high-tech criminal investigations. Consequently, the FBI created The Computer Analysis and Response Team (CART) Field Examiners to assist with information retrieval. Recently, FBI investigations relating to child pornography, terrorism, drugs, and public corruption were among the cases that required the response of the FBI's CART examiners to extract relevant data from computer and network systems. Examiners also provide forensic examinations and on-site field support to all FBI investigations and programs where computers and storage media are required as evidence. The CART caseload increased to approximately 2,400 cases in 1998.

Another valuable program used in important FBI investigations is the Rapid Start/Crisis Management Information System. It is designed to provide immediate lead tracking and

information management support in crisis situations by processing data from the start of an investigation. It has, for example, provided support in major bombing incidents including those at U.S. Embassies in East Africa, the Federal Building in Oklahoma City, and Centennial Olympic Park.

Telecommunications Carrier Compliance

The Communications Assistance for Law Enforcement Act (CALEA) was enacted in 1994 to ensure that ongoing technological changes in the telecommunications industry would not compromise the ability of federal, state and local law enforcement agencies to conduct lawfully authorized electronic surveillance. This legislation was necessitated by the erosion of law enforcement interception abilities and the frustration of carrying out court orders for electronic surveillance as a result of the deployment of advanced telecommunications technologies. Court authorized electronic surveillance is a critical tool used by federal, state and local law enforcement agencies in the investigation of kidnappings, extortions, murder, illegal drug trafficking, major white-collar crimes, organized crime, terrorism, and national security matters. To that end, CALEA obligates telecommunications carriers to ensure that their equipment, facilities and services are capable of expeditiously isolating and delivering to law enforcement agencies all communications and call-identifying information that law enforcement is authorized to acquire.

To facilitate CALEA's implementation, Congress authorized \$500 million to be appropriated to reimburse the telecommunications industry for certain eligible costs associated with modifications to their networks. The Omnibus Consolidated Appropriations Act of 1997 (P.L. 104-208) amended CALEA by adding Title IV which created the Telecommunications Carrier Compliance Fund (TCCF) to facilitate the disbursement of funds available for CALEA implementation, and appropriated \$60,000,000 in initial CALEA funding. Additionally, the Act authorized agencies with law enforcement and intelligence responsibilities to transfer unobligated balances into the TCCF, subject to applicable Congressional reprogramming requirements.

As of September 30, 1998, the balance of the TCCF was \$102,580,270. This amount was the result of the following deposits: Direct Appropriation (\$60,000,000), DOJ Working Capital Fund (\$40,000,000), United States Postal Inspection Service Transfer (\$1,000,000), United States Customs Service Transfer (\$1,580,270). No direct appropriations to the TCCF were made in FY 1998. Additionally, no deposits of unobligated funds were made into the TCCF by eligible agencies in FY 1998. During FY 1998, no payments were made to telecommunications carriers from the TCCF pursuant to section 104(e) or 109 of CALEA. Therefore, the end-of-FY 1999 amount in the TCCF available for

obligation remained \$102,580,270.

On September 11, 1998, the FCC issued a Memorandum of Opinion and Order extending the section 103 compliance date from October 25, 1998 to June 30, 2000. The order, which applies to all telecommunications carriers, gives industry until mid-2000 to install assistance capability requirements. In part, the FCC order was predicated upon the argument that some manufacturers might not have solutions available until December, 1999. Given this, it is possible that carriers will wait until all solution options are available to them before making solution deployment decisions and seeking Government reimbursement.

Technology and Information

One of the FBI's most important traditional duties has been to assist local and state law enforcement agencies with information about wanted fugitives and to provide rapid, reliable criminal history data on offenders.

The FBI is now developing new technology systems to provide the most vital information far more quickly--and on an automated basis.

NCIC 2000

In 1967, the FBI established the National Crime Information Center as a nationwide system containing data and information files, such as wanted and missing persons, foreign fugitives, unidentified persons, and stolen property. The NCIC system contains over 32 million records stored in 18 information databases. It is accessed by over 79,000 authorized users. The system handles nearly 2 million transactions each day. The transactions are sent by law enforcement staff who access or provide information to the 18 NCIC files. The current NCIC system will be replaced by the NCIC 2000 system. NCIC 2000 will provide additional capabilities such as linking related information in the databases, providing access to identifying images such as mugshots, and conducting fingerprint matching (right index finger only). NCIC 2000 is designed to serve the criminal justice community into the twenty-first century. The system's Initial Operating Capability is anticipated in July 1999. The current cost estimate to complete the NCIC 2000 initiative is \$183.2 million.

IAFIS Fingerprint System

As part of this revolution in law enforcement technology, the FBI also is developing another major breakthrough in information sharing.

It is called IAFIS--the Integrated Automated Fingerprint

Identification System. It also is scheduled to go on line in 1999 at the FBI's Criminal Justice Information Systems Division in Clarksburg, West Virginia.

These systems, working in harmony, will provide law enforcement agencies with the best methods ever devised to identify suspected offenders and to obtain all possible information about them.

The IAFIS system will end the decades-long, laborious system of checking fingerprint records and evidence manually, by individual cards and latents.

Instead, IAFIS has for some time been converting fingerprint cards into a computerized system that promises a revolution in identification procedures.

This is vitally important because statistics show that of every 10 persons arrested, seven have been arrested previously. That information is essential for law enforcement--from the cop in the patrol car to the investigator trying to solve complex crimes.

With the traditional methods, it takes 10 days to completely check the system containing 34 million criminal fingerprint files to determine if the person has an existing record. It is easy to see that many arrested persons could thus already have posted bail and vanished before the checks are completed.

Under the new IAFIS system, fingerprint files are being computerized. The FBI will be able to accept fingerprints electronically from city, county, and state law enforcement agencies and using complex computer systems make prompt checks of fingerprint files to identify subjects and provide their criminal records.

As one FBI specialist explained it, "We will be able to accept a fingerprint electronically, literally from the booking station, and in two hours search our data base of millions of fingerprints by computer and go back to that booking station before the suspect appears before the judge and tell them what the FBI and police know about that person's criminal history."

Part of the new planned technology will also eventually allow law enforcement officers to obtain such information rapidly through computer terminals that can be placed in patrol cars.

Both of these projects, NCIC and IAFIS, have been enormous undertakings for the FBI, particularly IAFIS which to date is the largest automation project we have ever undertaken. Not unexpected in today's world of high technology, both at times

have proven more difficult and more expensive than originally anticipated, resulting in Congressional concerns that were fully justified. Direct participation by the Director's Office ensured these projects returned to a course of development and cost containment consistent with Congressional expectations. We are very appreciative of the continuing support from Congress and have willingly committed to continuing direct oversight by the Director's Office.

Law Enforcement On-Line (LEO)

In 1995 the FBI began the development of Law Enforcement On-Line (LEO). LEO is providing a communications mechanism to link all levels of law enforcement throughout the United States, supporting broad, immediate dissemination of information concerning the best technologies and practices in law enforcement. LEO is intended to be a user friendly, no cost to user service, which can be accessed by the law enforcement community using industry-standard personal computers.

Until recently, with the advent of the Internet, there had been no practical way for law enforcement officers to be able to easily communicate among themselves. Although there have been national networks such as the National Crime Information Center (NCIC) and the National Law Enforcement Teletype System (NLETS) which allow access to local, state, and Federal data bases, there had been no system that served the needs of the individual officer or law enforcement manager. With the advent of LEO, the FBI is now providing law enforcement, down to an officer level, the ability to communicate in a secure mode with members of other law enforcement agencies throughout the United States and to share information on topics of mutual concern. It is anticipated that LEO will provide for the wide dissemination of timely topical information to the vast majority of the law enforcement officers throughout the country.

LEO is currently an Intranet exclusively for the law enforcement community, and its unique value is its ability to deliver Law Enforcement Sensitive but Unclassified communications services and distance learning to local, state, and Federal law enforcement on an any time, any place basis. Although in its early stages, LEO is already becoming an important tool in equipping officers to counter crimes that involve a coordinated effort across United States law enforcement operations.

Users currently access the LEO system through a national toll-free dial-up network, but the addition of other communications delivery systems, such as the Internet, are being considered for the future. As of March 1, 1999, LEO had over 12,000 registered users and was projected to grow to 18,000 users by the end of FY 1999 and 30,000 users by the end of FY 2000.

We believe these new technologies and systems when fully deployed will allow law enforcement to make an important new impact on many types of crime and will enhance the safety of both the public and law enforcement officers.

Information Sharing

The FBI has received a \$40 million enhancement in FY 1999 to support the Information Sharing Initiative (ISI). These dollars, along with \$20 million from base resources, will fund the first two modules of phase I to upgrade the hardware, software and networks used to pass information among FBI locations and to outside entities.

Through this initiative the FBI will be able to share information electronically among field offices working jointly on such important cases as the Oklahoma City bombing. During the investigation of that incident, the FBI sent a large number of technical employees to Oklahoma because the computing environment was not available to share information between investigators in multiple locations. The ISI is being deployed in three phases over four years to upgrade the infrastructure, implement the applications needed to manage and analyze the data collected by the FBI, and provide the security needed to share information electronically with other law enforcement agencies and government agencies while protecting the security of the information.

In response to the FBI's need for timely access to case information, the Electronic Case File (ECF) was created. ECF provides a virtual case file to FBI personnel in all FBI locations worldwide, 24 hours a day. For the first time, this system has made it possible to share information electronically among and across field office locations. Full-text searches are performed to locate information that was previously lost due to the time-consuming manual searches that were required. To date, over 3.5 million documents have been loaded into ECF and are available for full-text search.

Communications Frequency Management

The ability of Federal, state, and local law enforcement/public safety agencies to effectively perform their mandated functions has been severely hampered for many years due to the inability to communicate with each other. In addition, the amount of radio spectrum required to support these agencies is inadequate in many metropolitan areas. During the March 22, 1995, hearing on Federal Communications Commission (FCC) and National Telecommunications and Information Administration (NTIA) appropriations, House Appropriations Subcommittee Chairman Harold Rogers asked the FCC and NTIA to develop a plan addressing spectrum and interoperability issues. The Public Safety Wireless Advisory Committee (PSWAC) was established June 26, 1995, in

accordance with the requirements of the Federal Advisory Committee Act to address the following-law enforcement/public safety concerns: 1) operational requirements; 2) technology; 3) interoperability; 4) spectrum; and 5) transition to new technologies/spectrum. I was a member of the Steering Committee and the FBI Spectrum Manager Richard Allen chaired the Spectrum Requirements Subcommittee.

The PSWAC Final Report, dated September 11, 1996, concluded that 95 MegaHertz (MHZ) of spectrum are required to meet state and local public safety requirements and that 2.5 MHZ is required for interoperability between Federal, state, and local agencies. Additionally, the PSWAC concluded improved interoperability is required and recommended implementation of joint communications systems. In order to effect such change, the FCC has allocated 24 MHZ of existing television broadcast spectrum to meet a portion of the PSWAC requirements. This spectrum will not be available until 2006 in most areas of the country. State agencies are requesting the participation of Federal agencies in the use of shared communications systems and Federal agencies are working with the FCC to change the rules which will allow implementation of these shared systems.

CHAPTER FOUR

CONTINUING TO RESPOND TO PROTECT AMERICANS

It may sometimes appear to the public that the FBI devotes an inordinate share of its time and attention to the types of crimes that appear on Page One of the local newspaper or on the evening television news--individual violent crimes, drugs, terrorism, espionage. And it is indeed true that those are among the FBI's highest priorities, and properly so.

But that is only a part of the picture. The FBI also has many more priorities as it seeks to protect the public from harm: personal harm, economic harm, violation of civil rights, and the harm that comes from the fear of crime. The FBI enforces approximately 500 federal laws that in one way or another touch vast numbers of Americans:

- The FBI has joined with local and state authorities to combat violent street gangs.
- New enforcement techniques have been developed against crimes that target children.
- Special emphasis is placed on health care fraud and other thefts of government funds. Annual losses run into the billions.
- There are intensive efforts against organized crime and its many evils, such as labor racketeering and corruption.
- The FBI works diligently to protect the civil rights of all Americans, particularly those relating to police misconduct and crimes of hate.
- New emphasis is being placed on enforcement against those who violate environmental laws.
- Corruption by law enforcement and public officials has become a significant FBI enforcement priority.

The FBI works to prevent crime and to apprehend those who commit unlawful activities. The goal is to gather legal evidence that can be used to convict offenders so they cannot commit new crimes. The FBI's work touches every aspect of American life in its efforts to protect the public and uphold the rule of law.

Safe Streets Task Forces

One of the most disturbing crime trends facing our country is the increase of violent street gangs--often made up of juvenile offenders. The rise of gangs and the violence perpetrated by these organizations are of grave concern. These organizations are no longer only in our urban centers--they are appearing in suburban neighborhoods, rural areas and small towns. Fighting these gangs cannot be left to individual law enforcement agencies. The "Safe Streets" initiative has a coordinated

approach. These Safe Streets Task Forces are made up of teams of federal, state, and local law enforcement officers and prosecutors.

The initiative is designed to allow the Special Agent in Charge of each FBI field division to address street gang and drug related violence through the establishment of FBI sponsored, long term, proactive task forces focusing on violent gangs, crimes of violence, and the apprehension of violent fugitives.

There are 164 Task Forces operating in 52 of our field offices. These Task Forces team nearly 785 FBI Special Agents with nearly 142 other Federal Agents and some 1,255 state and local law enforcement participants. Since the beginning of this program, there have been almost 159,960 arrests and over 56,000 convictions or pre-trial diversions.

In 1998, one of the major Safe Streets operations was carried out by FBI Special Agents and police officers in Los Angeles and Little Rock against the drug trafficking operations in both cities of a large gang, the Grape Street Crips. Fifty-six indictments were issued in Little Rock and 17 in Los Angeles. The arrests also disrupted drug trafficking in four other cities: Minneapolis, Cleveland, Jackson, and Memphis.

Another major case was Operation Crown, in which the FBI and the New York City Police Department targeted the entire top echelon of a major gang, the Almighty Latin King and Queen Nation, and arrested 94 members and associates. The investigation focused on trafficking in firearms and drugs, and the felony charges against the defendants ranged from weapons and narcotics possession to conspiracy to commit murder.

Successes are taking place across the country as law enforcement agencies join together to make communities safer for all. One of the major successes was in Connecticut. In Bridgeport and Hartford, two Safe Streets Task Forces, composed of seven FBI Agents and 15 police officers representing ten agencies, committed their investigative efforts and resources to an investigation involving the criminal activities of the Almighty Latin King/Queen Nation (ALKQN) and the Los Solidos (LS) street gangs. These investigative efforts required the use of court-approved electronic surveillance, focusing on the leadership and members of the two street gangs. These investigations culminated in the arrests and indictments of over 50 ALKQN and 52 LS members and associates. Sixteen ALKQN and eight LS members were charged under the Racketeering Influenced and Corrupt Organizations (RICO) statute, to include 13 homicides. These were the first prosecutions that utilized the RICO statute for gang members in Connecticut. Furthermore, the incarceration of these gang members had a measurable effect in reducing the violent criminal activity in these communities as

reported by the local police departments.

The FBI believes that the Safe Streets program has been a significant factor in reducing violent crime nationally. Reported violent crimes decreased 13 percent nationally from 1992 to 1996, including a 17 percent decline in murders. Preliminary figures show that violent crimes dropped five percent in 1997 and seven percent in the first six months of 1998.

Traditional Organized Crime

The FBI has achieved major successes against the largest traditional organized crime groups in the nation--the source of vast and deadly crimes.

In 1994, the "Hard Crust" investigation culminated in the indictment of 25 members and associates of the Marcello, Gambino and Genovese La Cosa Nostra Families related to their efforts to infiltrate the legalized gaming industry in the state of Louisiana. Among those convicted in 1996 were Marcello Family Boss Anthony Carollo, Underboss Frank Gagliano Sr., a Consigliere in the Marcello Family, Gambino Acting Capo Joseph Corozzo and a soldier in the Gambino Family.

In 1995, Philadelphia LCN Family Boss John Stanfa and other high-ranking family members were convicted of RICO charges which included predicate acts of murder.

In 1996, an indictment was returned in New York charging Liborio Bellomo, the Acting Boss, Michele Generoso, the Acting Underboss, and James Ida, the Consigliere, and 16 other members and associates of the Genovese LCN Family with various racketeering charges. The racketeering acts included murder, extortion, labor racketeering, gambling, loansharking, money laundering, the fraudulent operation of the Feast of San Gennaro, obstruction of justice and tax evasion. All 19 defendants in this case either pled guilty or were convicted at trial.

One of the FBI's most intensive organized crime investigations was code-named GAMTAX. It was a five-year operation in Detroit that culminated in the 1996 RICO indictment of 17 members and associates of the Detroit La Cosa Nostra Family--nearly the entire hierarchy of the Family, including the boss, underboss, four capos, and four soldiers. This investigation focused on the Detroit LCN Family's collection of "street taxes" from illegal gambling operations, loansharking, extortion, and acts of violence used to support these activities. In January, 1998, a Detroit LCN Family capo, Vito Giacalone, pleaded guilty to one RICO count, admitting in court that he was a member of the Detroit LCN Family. This was of special significance because it refuted decades of denial by LCN members concerning the existence of the Detroit LCN Family.

The first of two trials in this massive case concluded in April, 1998, when guilty verdicts were returned against four of the five defendants. Those convicted included Jack Tocco, the boss of the Detroit LCN Family, who was found guilty of two RICO counts. Others convicted included Anthony Corrado, a capo in the Detroit LCN Family, and Detroit LCN Family soldiers Paul Corrado and Nove Tocco. A trial date for the remaining nine defendants has not been scheduled.

To discourage LCN rebuilding efforts nation-wide, in March 1996 the FBI launched "Operation Button Down" as a five-year strategic plan. Since the inception of "Operation Button Down", through December 1998, the following accomplishments have been obtained: 53 LCN members and associates have been indicted or convicted in FBI labor racketeering cases; indictments and/or convictions against the Gambino and Genovese Families have totaled three Bosses, one Underboss, one Consigliere, 20 Capos, 26 Soldiers, and 270 associates; FBI investigations of all LCN Families have resulted in indictment or conviction of nine Bosses, two Underbosses, five Consiglieres, 45 Capos, 73 Soldiers, and some 861 associates; and FBI Offices have seized assets worth an estimated \$68 million in LCN cases.

In 1997, Genovese LCN Family Boss Vincent "Chin" Gigante was convicted of two murder conspiracy charges and several racketeering and extortion counts. Prior to this conviction, Gigante, one of the most powerful mob bosses in the U.S., had successfully avoided prosecution by faking mental illness.

Other Organized Crime Initiatives

One of the most significant Asian organized crime cases was the "Bytes Dust" investigation, which identified gangs involved in heroin and firearms trafficking, armed and violent takeover robberies of computer warehouses, home invasions, kidnaping of computer executives, murder, alien smuggling, loansharking, extortion, smuggling of stolen vehicles, illegal gambling and credit card fraud. The indictment was returned in San Francisco and arrests were made in Northern California, Los Angeles, New York, and Virginia. The gang was believed to be responsible for the commission of 90 percent of the armed takeover robberies of computer companies nationwide. Twenty-four subjects were charged with racketeering and drug trafficking.

In 1997, the "Island Green" investigation targeted known violent Jamaican drug-trafficking organizations which were operating between Jamaica and the United States and involved in exchanging Immigration Service green cards for drugs and money. This investigation identified seven significant and extremely violent Jamaican drug-trafficking organizations and 25 drug-smuggling groups. One hundred and twenty-seven significant subjects were indicted in Boston, Kansas City, Los Angeles,

Miami, New York, Newark, and Philadelphia.

In 1997, the "Mobstocks" investigation by the FBI's New York field office culminated with indictments of 21 individuals, including ranking members of the Genovese and Bonnano LCN Families. This investigation uncovered a sophisticated stock manipulation scheme in which elements of the LCN have succeeded in taking control of small cap NASDAQ stocks and several brokerage firms through bribery and intimidation. In January, 1999, ten of 21 subjects charged in this investigation pled guilty to extortion and/or fraud charges. Among those pleading guilty to extortion charges were: Genovese LCN Family capo Rosario "Ross" Gangi; Bonnano LCN Family capo Frank Lino; Genovese LCN Family soldier Ernest "Butch" Montevecchi; and Bonnano LCN Family soldier John Cerasani.

A federal grand jury in the Eastern District of New York returned a Racketeering Influenced and Corrupt Organizations (RICO) indictment in 1996 against: Andrew Russo, the acting Boss of the Colombo LCN Family; Dennis C. Hickey, a Colombo LCN Family associate and operator of Hickey's Carting, Inc., a garbage carting company in Central Islip, Long Island; four other defendants; and four companies. The indictment alleged that the defendants operated garbage collection businesses in Suffolk County, New York, through a pattern of racketeering, including money laundering, fraud against the Town of Islip, and insurance fraud. The indictment alleged that through companies they controlled, the Luchese and Gambino LCN Families formed a partnership that allowed them to operate in the Long Island region without any competition.

In 1998, the FBI's New York field office "Garment Center" investigation culminated in a RICO indictment of 12 individuals, including Luchese LCN Family acting boss Joseph Defede. This investigation targeted LCN influence/control of the New York Garment Center where, more than 30 years ago, the LCN Commission ruled that the Luchese LCN Family would control the criminal enterprises associated with the Garment Center. Luchese LCN Family influence of the Garment Center focused on their control of the Union of Needle Trade Industrial Textile Employees (UNITE). In December, 1998, seven individuals, including acting boss Joseph Defede, pled guilty to Hobbs Act extortion charges.

John Gotti, Jr., alleged boss of the Gambino LCN Family (and son of incarcerated LCN boss John Gotti), capo John D'Amico (a member of the three person committee that allegedly assists John Gotti, Jr., in running the Gambino LCN Family) and other ranking members of the Gambino LCN Family were indicted in 1998 on RICO charges with underlying criminal conduct that included conspiracy to commit murder, money laundering, extortion, loansharking, bank fraud, bankruptcy fraud, perjury, obstruction of justice and tax evasion.

In 1997, Gambino LCN Family members Nicholas Corozzo (Capo), Leonard Dimaria (Capo), and Louis Scida, and associates Ralph Davino and Anthony Ruggiano, Jr., pled guilty in U.S. District Court, Southern District of Florida, to their involvement in running a loansharking operation in Southern Florida. This case was significant in that it highlighted extensive LCN operations in the Miami area. Corozzo was a member of a committee of three Gambino members that assisted John Gotti, Jr., in allegedly running the family after the conviction of John Gotti, Sr.

The FBI has also made it a priority to develop multi-national organized crime cases. One was an investigation of a drug trafficking conspiracy involving three Italian groups--the Sicilian Mafia, Ndrangheta, and Cammora--collaborating with Colombian cocaine cartels to distribute heroin and cocaine in the United States and in Europe. In addition to the arrest of 29 Italian organized crime associates in New York, four Colombian nationals were charged and 56 subjects were arrested in Italy for violations of Italian law. This investigation used extensive court-approved electronic surveillance and was the result of the close working relationship between the FBI, the Royal Canadian Mounted Police, the Italian National Police, and the Colombian Fiscal De La Nacion Office.

The FBI also has worked to disrupt organized crime groups with ties to Western Europe, Russia, Asia, South America, Africa, and the Middle East.

Close ties with foreign law enforcement agencies are essential for success against organized crime. One major step occurred in 1994 when a working agreement between the Russian Ministry of Internal Affairs (MVD) and the FBI was signed. A working relationship with the Russian Federal Counterintelligence Service, which has organized crime investigative responsibilities, was also established and a new FBI Legal Attache office was set up in Moscow.

All of us in the struggle against organized crime must remember the work of Judge Giovanni Falcone. He waged an unprecedented and exceptional fight against organized crime and drug trafficking for the good of people everywhere. Judge Falcone, his wife, and three police officers were killed in May 1992 in a bomb blast set off in Sicily by organized crime. The FBI has erected a bust of Judge Falcone at its Quantico Academy to serve as a monument to his devotion to duty and to humanity. He did not fear organized crime. Organized crime feared him. All of us in law enforcement--here and abroad--must remember his sacrifice and bravery, and by following his deeds organized crime, drug trafficking, and other crimes which prey on people everywhere can be defeated at last.

Crimes Against Children

Solving crimes involving children is of paramount importance, for the nation must not allow child predators to remain at large. That is why the FBI will always provide its resources to our state, local, and tribal partners, and FBI assistance can make a difference. For example, in Portage, Indiana, an eight-year-old girl was found brutally murdered and sexually assaulted. At the request of local officials, the FBI provided assistance. FBI Laboratory tests were carried out and a suspect was linked to the crime. After being confronted with the evidence, the suspect not only confessed to the murder of the child but he also confessed to ten unsolved homicides and five rapes in the area. Because of this inter-agency cooperation, this crime was solved and the most prolific serial killer in Indiana's history was arrested, thereby preventing murder and harm to other potential victims and their families.

The rapid expansion of the Internet as communications and entertainment media has been a major innovation for knowledge and education during the past five years. Unfortunately, it has also given child predators a new way to lure unsuspecting child victims. To combat this new field of operations by child predators, the FBI began the "Innocent Images" investigation in 1995. The investigation targets persons using the Internet to recruit minors into illicit sexual relationships and to receive or distribute child pornography. Undercover FBI Agents and local police task force officers go online into chat rooms, news groups, and Internet relay channels utilizing fictitious screen names and engaging in real-time chat or E-mail conversations with predicated subjects to obtain evidence of criminal activities. As of June 1998, 427 consent searches and search warrants had been executed, 246 information/indictments were filed, 177 arrests have been made, and 201 convictions obtained. I have been pleased with our success in this investigative effort and the carefully controlled operations. We must do our utmost to protect the Nation's most precious resource -- our children -- from harm and exploitation. The FBI has also embarked on a program to educate parents and children about such dangers on the Internet. Prevention through education and investigation is essential.

To better capture and highlight crimes against children, the FBI began recording child abductions and the sexual/physical abuse of children occurring on government reservations under unique investigative classifications. Earlier, child abductions were reported within an investigative classification covering all abductions and kidnappings of adults and children and the sexual/physical abuse of children on government reservations in an investigative classification that included all government reservation violent crimes. Capturing these statistics separately enables us to identify crime trends and help focus

prevention resources in a more efficient manner.

The FBI seeks to utilize all possible resources in its work to protect children from harm. One of the FBI's most productive relationships with a non-Federal agency is with the National Center for Missing and Exploited Children (NCMEC), which has carried out land-mark work in this area and provided a great service to the Nation.

To help develop the closest ties possible, the FBI now has a Supervisory Special Agent assigned full-time at the NCMEC. In 1998, a new CyberTipline was dedicated at NCMEC, and is an excellent example of the cooperative ties between government and the private sector. Through its extensive information system, the NCMEC is able to help the prompt referral to FBI field offices of complaints and tips concerning missing children and children in harm's way.

One example is a new dimension the FBI has added to its National Crime Information Center (NCIC), which allows state and local law enforcement agencies to "flag" entries to NCIC when a child is missing under suspicious circumstances or may be in danger. This information is relayed to both the FBI's own National Center and to the NCMEC, which then puts its own formidable resources to work.

To assist in the management and development of policy for its nationwide initiative, the FBI created an Office of Crimes Against Children in its headquarters. There are at least two Crimes Against Children Coordinators in each of the FBI's 56 field offices. The Coordinators are working with local, state and federal government and non-government organizations to establish Response Teams capable of facilitating the investigation and prosecution of crimes against children while providing the necessary victim and witness services.

In an effort to streamline the FBI's behavioral services to law enforcement, the Child Abduction and Serial Killer Unit and Profiling and Behavioral Assessment Unit were combined, forming the National Center for the Analysis of Violent Crime (NCAVC) within the Critical Incident Response Group (CIRG). Within this new organizational structure, teams of experienced FBI agents and other professionals consult with law enforcement from around the world and provide immediate investigative support through violent crime analysis, technical and forensic coordination, and application of the most current expertise.

The FBI has continued to enhance the resource support to the "Innocent Images" investigation, including assigning two Supervisory Special Agents and a professional analytical support employee to the NCAVC to assist with consultation and research in this area. Another NCAVC Supervisory Special Agent with

extensive experience investigating cases in Indian Country is dedicated to providing training and assistance in the special area of victimization of children and death investigations in Indian Country.

The former Child Abduction and Serial Killer Unit (now part of the NCAVC) also produced the Child Abduction Response Plan, a guide for law enforcement agencies investigating a child abduction or mysterious disappearance of a child. Over 17,000 copies of the Plan were distributed through the FBI field offices and legal attaches to local law enforcement agencies. A second printing is being run, and a Spanish-language version has been prepared.

The 105th Session of Congress emphasized its interest in crimes against children and other violent crimes, particularly serial murder, by passing the "Protection of Children From Sexual Predators Act of 1998." The Act authorizes the FBI to investigate serial killings if requested by the head of a law enforcement agency with jurisdiction over the offense. The Act also establishes the Morgan P. Hardiman Child Abduction and Serial Murder Investigative Resource Center (CASMIRC), to be managed by the NCAVC. The purpose of CASMIRC is "to provide investigative support through the coordination and provision of Federal law enforcement resources, training, and application of other multi-disciplinary expertise, to assist Federal, State, and local authorities in matters involving child abductions, mysterious disappearances of children, child homicide, and serial murder across the country."

The NCAVC has been used in a variety of ways. For example, the FBI created Operation HALT (Homicide/Abduction Liaison Team) in Houston to assist with the alarming number of homicides and abductions of young women and children in the Galveston area. The NCAVC has created a unique database which the entire FBI is using to assist with these types of investigations. The database allows investigators to determine similarities in homicide cases to identify the possible activity of a serial killer. This program has been widely accepted and the Houston office is building the program to include all sheriffs' offices and police departments in its 46 county jurisdiction.

Another case that has attracted major attention is the kidnapping and murder of three girls in Spotsylvania County, Virginia: Sofia Silva, 16, in 1996; and Kati Lisk, 11, and her sister, Kristin Lisk, 15, in 1997. The FBI entered both investigations at their outset and similarities between the homicides were discovered. As a result, a task force of federal, local, and state authorities was set up to investigate the case. The task force, headed by an FBI supervisor, was created in late 1998--18 investigators and three analysts, plus the support of the FBI Laboratory.

Violent Criminal Apprehension Program (VICAP)

The new VICAP is a state of the art behaviorally-based crime analysis tool which has been significantly redesigned and structured to address violent crime problems impacting law enforcement agencies. It is available free of charge to any agency willing to become a part of this effective network of crime analysis. VICAP will enable law enforcement agencies to collect, collate, and analyze their own violent crime information on a local level, and to assist in identifying similar cases on a regional, state, or national basis.

This new system consists of a revised VICAP crime analysis Report Form and a user-friendly computer system designed for stand-alone application on a Pentium-based computer equipped with a CD drive and Windows 95. It enhances crime analysis for specific violent crimes, including solved and unsolved homicides, missing persons, and unidentified dead persons.

Centennial Park Bombing

In 1996, a powerful bomb exploded at Centennial Olympic Park in Atlanta during the Olympic Games. The blast killed a woman and injured more than 120 other persons, and a man at the scene died of a heart attack. The terrorist incident was viewed as a national and international tragedy.

Since then, the FBI has conducted one of the most intensive investigations in its history for the person who planted the bomb.

Late in 1998, that investigation produced results: federal charges were filed against Eric Robert Rudolph, 32, of Murphy, North Carolina.

A criminal complaint charged Rudolph with the fatal bombing at Centennial Park as well as with two other Atlanta bombings that injured a number of persons. He was accused of five counts of malicious use of an explosive in violation of federal law.

During its two-year-plus investigation of the bombing at the Olympic Games site, the FBI conducted more than 20,000 interviews and examined thousands of photographs taken by persons at Centennial Park during the period before and after the bombing. Hundreds of pieces of evidence have been examined by FBI specialists.

Before the Atlanta charges, Rudolph also had been charged and sought for another bombing: the February 1998 explosion at an abortion clinic in Birmingham, Alabama, that killed an off-duty policeman serving as a guard at the clinic and gravely

wounded a clinic nurse.

Late in 1998, the hunt for Rudolph continued in the rugged and wooded mountain areas of Western North Carolina. The FBI has made it clear that the search will remain a priority until the fugitive is in custody. The FBI is totally committed to carrying on the search and the effort is intensive. More than 15 Federal, local, and state law enforcement agencies are contributing to the search for Rudolph.

A \$1 million dollar reward has been offered by the Department of Justice and FBI for information leading to Rudolph's capture.

White Collar Crime and Fraud

White collar crime and fraud against both the government and members of the public are crimes that harm vast numbers of Americans. These have become priority enforcement matters for the FBI.

The federal government has estimated that health care fraud impacts on every person in the nation and costs Americans \$100 billion annually in fraud and abuse. The FBI has made health care fraud one of its major priorities, along with other types of white collar crime that have a deep impact on the public.

Enhanced enforcement has been greatly aided by Congressional passage of the Health Insurance Portability and Accountability Act of 1996, which the FBI strongly supported. The Act provides greatly-enhanced funding in the fight against health care fraud. The Act provided \$47 million for the FBI in 1997, a \$9 million increase. Funding will continue to grow, with annual increases in Special Agents assigned to health care fraud, until the budget reaches a permanent level of \$114 million in 2003. As a result of the Bureau's priority on health care fraud FBI resources and investigations have been building steadily. For example, the number of Special Agents assigned to health care fraud increased from the equivalent of 112 in 1992 to 356 in 1997. At the same time, there has been a massive increase in the health fraud caseload--from 591 cases to 2,582 cases. The majority of FBI Field Offices participate in either multi-agency Health Care Task Forces or Working Groups.

Convictions have also climbed dramatically: from 116 in 1992 to 485 in 1997. Long prison terms have been imposed on offenders. Large fund recoveries from companies have been achieved.

In one major prosecution, 11 physicians recently pleaded guilty in San Diego to conspiracy in a case involving medical fraud against insurance companies. In New York, 11 physicians

have been charged with taking kickbacks in exchange for referral of Medicare patients for medical equipment and other services. Late in 1998, seven physicians, 12 nurses, and 20 other persons were indicted in Miami for health care fraud offenses. In another Florida case, seven persons, including four physicians, pleaded guilty to health care fraud. In a Midwest case, two persons in Michigan were both sentenced to 57 months in prison in connection with \$25 million in fraudulent billings to Medicare.

FBI investigations of health care fraud have also helped lead to massive fund recoveries. In 1997, Smith Kline Beecham Clinical Laboratories, Inc., paid the government \$325 million for filing false federal claims. In 1996, Damon Clinical Laboratories, Inc., pleaded guilty to conspiracy to defraud Medicare, and the company agreed to pay the government \$119 million in criminal fines and a civil settlement. The Laboratory Corporation of America agreed to pay the government \$187 million in 1996 in criminal fines and a civil settlement in a case involving submission of false claims.

One major telecommunications investigation, "Senior Sentinel," focused on fraud against senior citizens. The investigation used innovative recording techniques and ended on December 7, 1995, with over 38 FBI field divisions, 12 U.S. Attorney's Offices, more than a dozen state attorney general's offices, and the Fraud Section of the Criminal Division of the Department of Justice having participated in the operation. As of July 31, 1996, Senior Sentinel had resulted in the conviction of 598 persons for telemarketing fraud-related offenses, the execution of 104 searches, and the investigation of 180 telemarketing "boiler rooms." This investigation's success would have been impossible without the cooperation the FBI received from the American Association of Retired Persons and the many senior citizens who posed as potential victims. They refused to allow criminals to go free and performed a great service for all.

Another telecommunications investigation that met with great success was "Operation Disconnect", a national covert investigative effort designed to address telemarketing fraud aggressively. At its conclusion, Operation Disconnect encompassed a total of 18 FBI field offices and proved to be the most significant investigative initiative undertaken to counter illegal telemarketing operations. This investigation resulted in the indictment and conviction of 402 subjects, the execution of 101 searches, the seizure of \$7.65 million of property, and the forfeiture of \$6.76 million.

Other Major White Collar Crime Cases

"Operation Counter Copy" was a national initiative designed to locate and identify products, principal distributors, and publishers of unauthorized trademarks and/or copyrighted products

for the purpose of eliminating these sources of illicit productions. In 1997, a national effort by 11 field divisions resulted in the arrest and indictment of 17 individuals on federal trademark/copyright violations.

"Operation Total Disclosure" targeted individuals engaged in committing bankruptcy fraud. In 1996, there was a national investigation which resulted in the participation of 25 field divisions and over 110 subjects were indicted.

"Operation Rogue Brokers" was initiated in 1995 in an effort to address securities cases focusing on investment brokers and other market participants who utilized a host of schemes to defraud their clients out of invested funds. This initiative resulted in 25 investment brokers being indicted in 11 field division areas.

"Operation CHECKMASTER" targeted organized groups in 25 FBI field divisions and focused on a variety of check fraud, counterfeiting and credit card fraud organizations. Since its inception, the operation has resulted in 201 indictments and informations, 174 arrests, and 111 felony convictions.

Operation "Broker Bust" was an undercover operation initiated to target fraudulent mortgage brokers and other corrupt real estate professionals involved in providing false information to financial institutions in order to secure mortgage loans. This operation resulted in indictments of 27 real estate professionals, including mortgage brokers and accountants, throughout the Los Angeles area.

Another fraudulent scheme which affected large numbers of innocent Americans involved insurance fraud. The FBI investigation, "Sudden Impact," culminated in 1995 and targeted false medical claims in connection with staged or fictitious accidents. In all, over 40 field offices participated in 22 undercover operations and the arrest or indictment of 723 people.

TWA 800

In 1997, the FBI announced that its 16-month investigation of the crash of TWA Flight 800 into the ocean off New York City had produced no evidence to indicate that a criminal act was the cause of the tragedy that killed all 230 persons aboard the airliner.

In many ways, the investigation was unprecedented. It extended from the New York area and other parts of the United States to a number of countries abroad. More than 7,000 interviews--some as far away as Athens, Greece--were conducted by hundreds of FBI agents. Recovery of possible evidence was hindered by the fact the wreckage of the aircraft was in 120 feet

of water.

Other factors also complicated the work of the FBI and the National Transportation Safety Board, which worked closely with the Bureau in trying to determine the cause of the crash.

Ninety-six percent of the aircraft was recovered, about one million pieces in all, and there was extensive reconstruction of large sections of the plane.

In all, 230 victims were recovered and identified.

The FBI did everything humanly possible to determine whether a criminal act was involved. Every lead was pursued. Every possible criminal scenario was studied, ranging from sabotage to a bomb to a missile.

The one-million-plus pieces of aircraft debris were inspected by bomb technicians and laboratory personnel. This process included extensive chemical tests and x-rays along with other sophisticated laboratory examinations.

As the FBI's most expert personnel working on the case said at its conclusion, no stone was left unturned.

A variety of specialists--including bomb technicians, metallurgists, and chemists--took part in examinations of the wreckage recovered from the ocean. Experts from the private sector as well as from other federal and foreign agencies participated in the painstaking tests and analyses.

At one point, traces of high explosive chemicals were found on the wreckage. The FBI then learned that in 1996 St. Louis Airport Police had conducted canine explosives training aboard the aircraft. Explosives put on board the plane at that time were consistent with the traces found in the post-crash tests. This was a major matter, and all of our tests and examinations show that the FBI got it right--the traces were from the earlier canine testing and not from a bomb aboard the aircraft.

During the course of the 16-month investigation, the FBI took every step possible, within the necessary guidelines of our priority investigation, to keep the families and loved ones of the crash victims fully informed--from the time of the very first briefings for family members to the announcement at the conclusion of the investigation late in 1997.

Civil Rights

One of the FBI's most important responsibilities is the protection of the rights of all citizens and residents of America. The top priority of our Civil Rights Program is the

investigation of racial and religious violence. The FBI has been a full participant in the National Church Arson Task Force since its inception in 1996. As of mid-January 1999, 715 investigations were initiated; 326 arrests have been made, including 64 Federal arrests; and 241 incidents have been solved by arrests.

In recognition of growing concerns regarding race/bias-based crimes, the FBI has given urgent attention to the investigation of hate crimes, and made a commitment to hate crimes enforcement. In July, 1997, the new Hate Crimes Unit was formed within the Corruption/Civil Rights Section of the Criminal Investigative Division at FBI Headquarters. The former Civil Rights Unit, renamed the Color of Law Unit, focused on civil rights violations by law enforcement officers. In 1993, the FBI was funded for 130 Special Agents to conduct civil rights investigations. By 1997, the FBI had received additional resources for the civil rights program, which increased the number of Special Agents dedicated to working civil rights investigations to 156 Agents. The FBI's commitment to this important national crime problem has exceeded the funded resources. In FY 1998, the FBI dedicated approximately 190 Special Agents to civil rights investigations.

Beyond the investigative commitments, the FBI's Hate Crimes Unit has ensured FBI participation in the National Church Arson Task Force, investigations into violations of the Freedom of Access to Clinic Entrances (FACE) Act, Hate Crimes Working Groups established in each Federal Judicial District, and training of police officers in all aspects of civil rights enforcement, to include the detection, investigation, and reporting of hate crimes under the federal Hate Crimes Statistics Act. The FBI's Uniform Crime Reports Section serves as the repository for the data gathered from the Hate Crimes Statistics Act. The Civil Rights Section has conducted a minimum of four annual training sessions for all FBI Special Agents, Supervisors and managers involved in hate crime investigations and law enforcement misconduct in civil rights matters.

Other Case Examples:

The FBI's investigation into the alleged brutalization of Abner Louima, a Haitian immigrant, has led to five federal indictments of officers from the New York Police Department for civil rights violations.

The FBI's investigation into the alleged systemic abuses of prisoners at California's Corcoran State Prison has led to eight federal indictments of correctional guards employed at the Corcoran facility for civil rights violations.

In 1991, a Hasidic Jew, providing convoy security for Rabbi Menachem Schneerson, lost control of his vehicle and struck two

African-American children in Crown Heights, Brooklyn, New York. As a result, a seven-year-old child died and another child was critically injured. This accident triggered four days of intense violence in the Crown Heights community. Immediately following the accident, large groups of African-Americans began roaming nearby neighborhoods. One of these groups attacked and stabbed Yankel Rosebaum, a doctoral student from Australia, who died of his injuries several hours later. Lemrick Nelson was tried locally for this murder and acquitted.

In 1994, after an FBI investigation, Nelson was indicted by a Federal Grand Jury on charges of Interference with Federally Protected Rights. A grand jury later also indicted Charles Price on the same charge as a principal in the assault on Rosebaum. At a trial in U.S. District Court, both subjects were found guilty of violating the civil rights statute by a jury. Nelson was sentenced to 19½ years in prison. Later in 1998, Price was sentenced to serve 21 years and 8 months in prison.

The FBI investigated the murder of James Byrd, Jr., an African American resident of Jasper, Texas, as a possible violation of federal civil rights statutes. Evidence developed by the FBI and local law enforcement officers and examined by the FBI Laboratory was introduced at the local trial of the first defendant to be tried on state capital murder charges, and he was convicted. Two other persons also have been charged by the state in the case.

Antitrust Enforcement

In a major antitrust case investigated by the FBI, the Archer Daniels Midland Company (ADM) pleaded guilty to price fixing conspiracies and three ADM corporate officials were found guilty of criminal antitrust violations.

The case began in 1992, when the FBI's Springfield, Illinois, Division initiated an investigation of antitrust activities at ADM, the forty-eighth largest publicly-held corporation in America. The investigation focused on international price and volume fixing of lysine, a feed additive for livestock, by five corporations. The corporations were ADM, based in the United States; Ajinomoto Company and Kyowa-Hakko Togyo Company, based in Japan; and Sewon Corporation and Cheil Jedung Company, based in Korea. The Springfield Division investigation also surfaced indications of price fixing activities in high fructose corn syrup and citric acid, a flavor additive and preservative. Spin-off investigations were initiated by the FBI's Atlanta and San Francisco Divisions in these product areas.

The FBI gathered evidence for more than two-and-a-half years in this unique and complicated investigation. The FBI secured

over 100 consensually monitored audio and video recordings of the conspirators discussing their illegal activities. The tapes captured the lysine competitors negotiating price and volume agreements and establishing a formal industry association to provide an artificial reason for the competitors to meet. In taped conversations, the competitors discussed scheduling meetings in foreign countries to avoid strict United States antitrust laws.

All foreign competitors and ADM pled guilty to violations of the Sherman Antitrust Act. ADM paid a \$100 million fine which established a new benchmark for antitrust fines. Fines in both the civil and criminal cases total over \$400 million.

In 1998, a jury in the Northern District of Illinois found Michael Andreas, former ADM Vice-Chairman; Terrance Wilson, former President of the Corn Processing Division; and Mark E. Whitacre, former Vice-President of the Corn Processing Division, guilty of one count each of violation of the Sherman Antitrust Act.

I am proud of the role played by the FBI in the ADM case. It began with the work of one FBI Special Agent in a small town in Illinois and grew into the largest FBI antitrust investigation ever.

Environmental Enforcement

The FBI and the Environmental Protection Agency (EPA) enjoy a close working relationship aimed at safeguarding the public health and environment, ensuring efficient use of resources, fostering the development of favorable case law, and assisting both agencies in establishing priorities for environmental crime investigations. In recent years, the FBI has assumed a prominent role in identifying environmental crime problems and enforcing applicable environmental laws. For example, in FY 1998, 485 pending environmental crime cases investigated by the FBI resulted in 136 convictions and \$56 million in fines and restitution.

In partnership with the EPA, the U.S. Department of Justice, and other regulators, the FBI participates in a number of important national initiatives designed to combat environmental crime problems such as smuggling of illegal chlorofluorocarbons (CFCs), vessel pollution and ocean dumping, and laboratory fraud. Additionally, the FBI participates with the EPA, other federal agencies, and state and local regulators in 35 task forces across the nation. This coordinated task force approach has yielded important results. For example, in 1998, investigations by the FBI, EPA, and others in Miami and San Juan resulted in a \$9 million criminal fine against Royal Caribbean Cruise Lines, Ltd., for illegally dumping oil from three of its cruise ships. Also

in 1998, Eklof Marine, a Staten Island marine transportation company, pled guilty to causing a 826,000 gallon oil spill off Rhode Island's southern coast. The company and its owners paid \$8.5 million--the largest environmental settlement in the continental United States, as well as a \$3.5 million state fine and \$1.5 million to the Nature Conservancy to restore the area.

The FBI expects that as additional personnel resources continue to be dedicated to environmental enforcement, the number of investigations and convictions will also continue to increase, as will settlements, fines and restitutions needed to restore polluted areas.

Public Officials

An FBI investigation led to the indictment of Governor John F. Symington of Arizona on charges of making false statements to lending institutions in connection with a commercial real estate venture. He was convicted of six counts of false statements and one count of wire fraud, and was sentenced to 30 months in prison.

Following an FBI investigation, former governor Edwin Edwards of Louisiana was indicted in New Orleans in 1998 on racketeering, conspiracy, extortion, and other charges. The indictment alleged that Edwards was the leader of an enterprise whose objectives included illegal manipulation of the riverboat gaming license process. The offenses occurred during and after his last two terms as governor, the government charged. The case is pending.

Another major case, Operation "GREENPALM," targeted corruption within the city of Miami. This matter initially involved the alleged extortion of the Unisys Corporation by Assistant City Manager Manohar Surana. Surana allegedly demanded money to ensure the Miami City Commission awarded three contracts to the Unisys Corporation valued at approximately \$14,000,000. This aspect of the case led to the arrest of Surana; City Commissioner Miller Dawkins; and Howard Gary, the former City Manager and a bond consultant for the city.

Surana cooperated and unveiled a separate scheme to defraud the city involving Cesar Odio, Manager for the City of Miami, and Jorge Decardenes, an outside consultant to the city. Decardenes was awarded a \$12,000 a month fraudulent consulting contract which overlaid the city's health insurance contract with Cigna Corporation. Surana awaits trial, while all other participants in this scheme have been convicted.

An undercover operation codenamed "SILVER SHOVEL" was initiated in 1993 to identify public officials within the city of Chicago engaged in corruptly offering, soliciting and accepting

bribes in return for local government public works contracts.

During the investigation, a cooperating witness and an Undercover Agent paid bribes to numerous public officials for a variety of assistance in obtaining construction work, minority certification and being permitted to operate a rock crusher without interference from local authorities.

This investigation has resulted in 24 indictments. Thirteen people have pled guilty, six have been convicted, and one acquitted. Two persons are awaiting trial.

The corruption of police and other public officials is also viewed as a grave offense by the FBI, which has developed major law enforcement programs against those who violate their oaths to uphold the law and protect the public.

In a period of a few weeks in early 1998, nearly 80 law enforcement officers were arrested and charged in four separate corruption cases throughout the country.

The overwhelming majority of police officers are honest and dedicated. But those few who are dishonest have an insidious impact on one of democracy's basic tenets: that law enforcement officers will honestly and fairly protect and serve the citizens to whom they answer.

Police corruption is an FBI national priority, which is shown by the Bureau's performance. From 1994 to 1997, a total of 508 persons were convicted in law enforcement corruption cases investigated by the FBI.

In many investigations involving allegations of corruption, the FBI works closely with the head of the local law enforcement agency and the agency's Internal Affairs Division.

Theft of Government Property

The FBI continued its efforts to combat the theft of government property including military weapons and explosives. In one case, eight civilians and six members of the U.S. Armed Forces were arrested on charges relating to the theft and resale of stolen military weapons and explosives. Among the weapons recovered were 234 machine guns and assault rifles, 60 handguns, two grenade launchers, four mortars, and 215,000 rounds of ammunition. To date, 13 of 14 defendants either pleaded guilty or were convicted.

Evidence Response Teams

The Evidence Response Team Unit was established in 1994 to provide guidance to field offices regarding Evidence Response

Team (ERT) formation, operations, responsibilities, training, logistical support, budgets, and on-scene assistance. ERTs are groups of highly motivated, well-trained and equipped personnel that specialize in organizing and conducting major evidence recovery operations. They handle the identification, collection, and preservation of evidence at crime scenes. In recent years, I have directed the FBI Laboratory to coordinate activities and information exchange among field ERTs to establish and standardize organizational and operational protocols regarding all aspects of their work. Because of their outstanding performance, the FBI has been able to collect more and preserve better crime scene evidence than ever.

The Evidence Response Teams have made major contributions in the investigations of a large number of complex cases, including the recent bombings of U.S. Embassies in East Africa and the bombing of the Federal building in Oklahoma City.

The services of the Evidence Response Teams are in great demand by local, state, and foreign law enforcement agencies.

National Instant Check System

Under a provision of the Brady Act created by Congress, the FBI developed in late 1998 the National Instant Check System to process background checks on prospective firearms purchasers.

Sixteen states exercised an option in the Act to conduct their own background checks on all firearms, while 11 other states check for handguns only, with the FBI checking for long gun purchases. The FBI does not have access to the statistics of those states. Checks in the remaining 26 states/territories are conducted by the FBI with a staff of some 500 persons at its complex in West Virginia.

In the first 41 days of operation into early 1999, a total of 1,030,606 background checks were processed on people seeking to purchase handguns, rifles, and shotguns. Of the checks conducted by the FBI, the Bureau denied 11,584 transfers of firearms under provisions of the Act. Of the 11,584 denials, 1,541 were the subjects of outstanding arrest warrants. The program, formally known as the National Instant Check System, was designed by Congress to keep firearms out of the hands of criminals and the mentally ill.

CHAPTER FIVE

IMPROVING RELATIONSHIPS

In the latter part of the 20th Century, it has become increasingly clear that no law enforcement agency can succeed by itself. Partnerships are needed if law enforcement is going to succeed in its priority task of protecting the public.

For the FBI, cooperation has never been more essential. The Bureau devotes constant energy to working with law enforcement agencies at the local, state, and federal levels. In addition, we have close ties to nationally recognized law enforcement organizations, including the International Association of Chiefs of Police, the National Sheriffs' Association, and the Major City Chiefs.

The FBI cooperates closely with the organization representing the police chiefs of major U.S. cities. We have built the strongest ties possible to federal prosecutors, our colleagues in the Department of Justice, and the National District Attorneys Association and the National Association of Attorneys General.

And in a rapidly changing and shrinking world, another vital ingredient has been added--cooperation with law enforcement agencies in other countries against the new and dangerous threats of international crime that respect no nation and exploit all.

This task force approach with a variety of law enforcement agencies--both in the United States and abroad--greatly magnifies the impact against the worst kinds of criminals and criminal organizations. In addition, it permits all of the participating agencies to obtain the greatest impact possible with the precious anti-crime dollars in our budgets in a time of fiscal prudence.

In the United States:

- The FBI works closely with other agencies to combat drug trafficking and to break up the trafficking networks.

- New standards of cooperation have been developed between the FBI and local police departments against violent street crime. More than 162 Safe Streets Task Forces, coordinated by FBI Field Offices, are now in operation.

- One of the newest and most dangerous emerging public threats--terrorism--has prompted creation of 18 Joint Terrorism Task Forces in partnership with federal, state, and local agencies.

- Thousands of state and local police officers have been trained at the FBI Academy at Quantico and thousands more in valuable courses the FBI conducts throughout the nation.

-- Virtually every major case handled by the FBI involves other law enforcement agencies--including such investigations as the bombing of the Federal building in Oklahoma City, violent gangs that infest so many cities, and the challenging search for the UNABOMBER.

In Other countries:

-- The FBI has a growing network of Legal Attaches stationed at U.S. Embassies around the world who work closely with local law enforcement agencies on common crime problems.
-- In another important area of enforcement, the FBI works closely with nations world-wide against a host of drug trafficking rings that target and impact the United States.
-- There is close and growing cooperation with other nations against terrorists who respect no border, no law, no people.
-- The FBI has also become a leader in the growing international movement of training law enforcement officers from many countries on the best ways to cooperatively attack the illegal schemes of criminals who threaten everyone.
-- Because of advances in technology and freedom of travel, international criminals are now able to carry out a wide range of offenses--from white collar crimes to extortion and murder--unless they are met by a solid wall of cooperating law enforcement agencies.

One of the most important aspects of improving relationships is within the FBI itself. Our Special Agents and support personnel must be a team that performs at the highest levels in the protection of all Americans. The FBI is primarily a field operation, with most of our employees in the 56 Field Offices that cover the country. They must be part of a cohesive organization, and that is why I have made it a priority to have close ties with all of the field operations.

In the past five years, I have visited each of the 56 Field Offices at least twice. The visits are substantive. I confer not only with the supervisory officials but also with the Special Agents to hear their comments, concerns, suggestions, and problems they face in doing their jobs. These sessions are exceptionally valuable and show me what is happening at the grass-roots level of FBI law enforcement. I meet with agents in large groups, in their squad units, and individually. I also place great emphasis on meeting with the support employees, who perform invaluable functions for the FBI. On Field Office visits, I have also made it a point to meet with a variety of state and local officials: police chiefs, sheriffs, prosecutors, and judges. In addition, I have conferred with community leaders on joint efforts against crime. In all, I have met with thousands of people on these nation-wide Field Office visits.

I have also made it a priority to visit other nations to

confer with their key law enforcement officials about how we can work together most effectively to combat crime problems of joint concern. I have met with the top leaders of a number of nations to help work out the most effective approaches to the common enemy of crime. In both Washington and abroad, I have conferred with presidents of nations, justice ministers, and the ranking law enforcement officials.

Drug Enforcement Coordination

In 1994, the FBI and DEA established the Southwest Border Project (SWBP) to focus investigative resources to disrupt and dismantle the activities of significant Mexican drug trafficking organizations operating in the southwest border region of the U.S. FBI and DEA offices along the southwest border work hand in hand with the five United States Attorneys responsible for these jurisdictions. To coordinate the many joint activities, the FBI also participates in the Special Operations Division, a joint FBI, DEA and Customs Service operation.

The successes have been significant. In January 1996, the leader of the Gulf Coast Mexican Drug Cartel and FBI "Top Ten" fugitive Juan Garcia Abrego was arrested in Mexico and extradited to the custody of the FBI in Houston. Abrego was convicted on federal narcotics violations and sentenced to 11 life terms. This investigation, which resulted in the dismantlement of Abrego's Organization, showed the success which can be achieved when law enforcement coordinates and pools its resources for a common purpose.

The Caribbean is also a major drug transshipment zone. An FBI Strategic Assessment of Puerto Rico and the United States Virgin Islands, developed in 1996, concluded that a unified and coordinated approach would have to be used there.

Lessons learned in the Southwest Border Program led the FBI to believe that to achieve any type of success in the Caribbean, law enforcement had to coordinate its information gathering and sharing. The establishment of the Information Coordination Center (ICC) in San Juan in 1997 has enhanced law enforcement ability to collect, analyze, and disseminate case intelligence to all federal agencies with jurisdiction in the Caribbean.

The FBI and DEA carried out a long-term investigation of an international cocaine trafficking organization that used a fleet of commercial fishing vessels to smuggle multi-ton shipments of cocaine into the United States for the Cali cartel of Colombia. The alleged leader of the gang, Jose Castrillon-Henao, was arrested by Panamanian authorities and turned over to U.S. authorities. He was indicted in April 1998 and is scheduled to be tried in Tampa in July 1999.

In another case involving drugs from Colombia, the FBI disrupted a major trafficking group in Florida and 22 persons were indicted, including the alleged leader of the ring, Oscar Roldan. More than 4,000 pounds of cocaine were seized.

The FBI worked closely with authorities in Hong Kong, who arrested Tam Kin Yan, accused of being head of a major heroin trafficking ring. The FBI then arrested more than 40 alleged members of the ring in New York, Philadelphia, and Detroit.

In another international case, the FBI assisted Canadian authorities in the investigation of Alfonso Caruana, an accused member of the Sicilian Mafia sought by Italian authorities for a shipment of five tons of cocaine seized in Italy. An FBI seizure of cocaine en route to Canada and other assistance helped Canadian authorities to take Caruana into custody in Toronto.

The FBI gave a priority in 1998 to enhancing its cooperative relationship against drug trafficking with law enforcement agencies in Mexico, most notably the Organized Crime Unit of the Procuraduria General de la Republica. The Mexican Organized Crime Unit has provided intelligence, witnesses, and evidence which have resulted in charges against key drug trafficking groups.

Mexico's Attorney General, Jorge Madrazo, thanked the FBI for its assistance in helping to track down and arrest a banker that the Mexican government had named the country's "Most Wanted Fugitive." FBI Special Agents in the United States and FBI Legal Attaches in Mexico City and Australia played key roles in the intensive search for Carlos Cabal-Peniche, charged by Mexican authorities with making fraudulent loans to himself of more than \$600 million. Through the joint efforts of the FBI and the Mexican Federal Judicial Police, Cabal-Peniche was traced to Australia, where he was taken into custody by local authorities. He had been a fugitive since 1994.

"Operation Reciprocity" was a highly successful joint FBI/DEA/Customs Service drug operation that targeted the U.S.-based cells of a powerful southwest border drug trafficking organization. The FBI, in conjunction with DEA, conducted investigations in 10 different cities throughout the U.S. over the 9-month period. During the course of the operation, over \$11 million, 7.4 tons of cocaine, and 2,400 pounds of marijuana were seized and 53 subjects were arrested, including cell heads, drug brokers and money/drug transportation coordinators.

I have had no higher priority in the fight against drugs than to build the closest possible working relationships with the Drug Enforcement Administration.

DEA has long done an outstanding job against one of the most

difficult crime problems facing America. When I became FBI Director, I made it a first order of business to have the FBI work as closely and productively as possible with DEA.

Great credit for DEA's success against drug trafficking goes to its Administrator, Thomas A. Constantine. He has brought enormous integrity, energy, and leadership to his important post and developed strategies that have significantly improved this essential component in the struggle against drugs and drug-related crime.

There is now cooperation instead of two agencies with the same goals--the protection of the American people--working at times separately.

One of the tangible results of this new cooperation is the exchange by DEA and the FBI of high-level officials: DEA experts hold posts of great authority at the FBI, and FBI agents do the same at DEA. Many benefits for the American people are resulting from this unprecedented development in the struggle against drugs.

Additionally, the FBI continued to solidify its working relationship with the DEA by the co-location of investigative resources in key cities including Dallas, Houston, Los Angeles, Miami, Phoenix, San Diego, El Paso, and Tucson. This co-location has greatly increased the investigative impact of several Joint Drug Intelligence Groups and High Intensity Drug Trafficking Area major case squads. This effort has also led to several successful squads which integrate FBI and DEA Special agents who are supervised by either an FBI Supervisory Special Agent or a DEA Group Supervisor.

As another indication of their close cooperation, the FBI and DEA routinely exchange intelligence information.

The FBI has also developed a close working relationship with the Bureau of Alcohol, Tobacco, and Firearms (ATF) of the Treasury Department on an important new program known as Drugfire.

Drugfire, an automated computer technology which is capable of making otherwise unidentified links between firearms-related evidence (cartridge cases, fired bullets, and firearms), was developed by the FBI to assist State and local law enforcement agencies in the fight against violent crime.

Drugfire is operational in approximately 125 Drugfire sites within the United States, with another 50 laboratories expected to install Drugfire systems by the end of 1999.

Nationwide, over 2,600 criminal shooting cases have been

linked together. Currently, more than 167,000 images of fired cartridge cases and bullets have been entered into the Drugfire System. The linking of this evidence from crime scenes provides police with investigative leads that would otherwise have gone undetected.

The FBI and ATF have signed an agreement to consolidate ballistic identification technologies into one joint Federal program called the National Integrated Ballistic Information Network (NIBIN). One of the primary goals of the NIBIN Program is to achieve interoperability between the two ballistics imaging systems (Drugfire and IBIS of ATF) currently used by firearms examiners.

The National Institute of Standards and Technology (NIST) directs the efforts of ATF and the FBI in achieving interoperability between the two ballistic imaging systems. Limited interoperability testing occurred in 1998 and test-fired cartridge cases were successfully imaged, searched and correlated between the two ballistic imaging systems.

In addition, the FBI and ATF work together closely on major cases involving bombings and firearms. For example, FBI agents worked side-by-side with ATF agents in some of the most important cases in recent years, including the bombing of the Federal building in Oklahoma City, the Centennial Park bombing at the Olympic Games in Atlanta, the long search for the UNABOMBER who set off bombs across the country, and the bombing of an abortion clinic in Birmingham. There also has been close cooperation between the FBI and ATF in the Southeast Bomb Task Force.

Infrastructure Protection

In a major effort related to terrorism, the FBI also was assigned the key responsibilities for protection of the nation's infrastructure, including coordination with other agencies.

A Presidential Decision Directive, "U.S. Policy on Counterterrorism," in 1995 directed the Attorney General to chair a Cabinet Committee to review and make recommendations to the President regarding the vulnerability to terrorism of government facilities in the United States and the critical national infrastructure. The Critical Infrastructure Working Group identified two distinct categories of threats to the critical national infrastructure: physical and cyber.

The FBI initiated the Computer Investigations and Infrastructure Threat Assessment Center (CITAC) in 1996 to improve its capabilities for dealing with cyber crime and a growing incidence of criminal acts involving the use of computers and intrusions involving government networks and systems. Their mission was established to support an in-house computer crime

capability and relationships with external agencies and others for identifying, assessing, investigating, and preventing threats and unlawful acts targeting critical infrastructure components, structures, and facilities.

In February, 1998, the CITAC was incorporated into the newly created National Infrastructure Protection Center (NIPC) which is located in the FBI. In accordance with another Presidential Decision Directive, the FBI serves as the lead agency responsible for emergency law enforcement services for the protection of U.S. critical infrastructures. The FBI is authorized to expand to a full-scale National Infrastructure Protection Center which serves as a national critical infrastructure threat assessment, warning, vulnerability and law enforcement investigation and response entity. This center will include representatives from a number of Federal agencies, as well as individuals from the private sector with an interest in the protection of these systems.

Training

The training of law enforcement officers is one of the FBI's most important functions. There is a training priority for its own personnel as well as other Federal, state, and local law enforcement officers. In addition, there is a growing training program for law enforcement officers and executives of other countries, another vital component of the cop-to-cop relationships the FBI has built with its counterparts at home and abroad.

In the five-year period from 1994 through 1998, the FBI has trained a total of nearly 700,000 law enforcement officers in a variety of courses.

More than 41,000 FBI employees were trained during that period at the FBI Academy at Quantico.

At the same time, law enforcement personnel from other Federal, state, and local agencies were trained at Quantico--over 23,000 in the five-year period.

The largest of the Bureau's efforts for non-FBI personnel is for local and state police who are trained at the field level under the Field Police Training program. In the last five years, more than 598,000 law enforcement officers were trained in this program.

As international crime has grown, the FBI has expanded its cooperative programs with police of other countries, and this includes an important training component. In the past five years, more than 3,000 international students were trained by the FBI in the United States, and nearly 15,000 were trained in other countries.

Training will continue to be one of the FBI's most urgent priorities.

As part of these efforts, one of its oldest and most prestigious law enforcement training programs is the National Academy at Quantico for foreign, state and local officers. Since 1935, well over 30,000 graduates of the National Academy have now completed the eleven-week management course. Through this program, the FBI has developed excellent contacts with domestic and foreign officers and fostered relationships which have greatly increased cooperative investigations across the country and around the world.

The FBI also provides training to forensic scientists from state and local crime laboratories at its Forensic Science Research and Training Center and at the Hazardous Devices School at Redstone Arsenal. During 1997 and 1998, the FBI Laboratory provided training to over 8,100 students in basic and advanced forensic science courses. The Hazardous Devices School is the only domestic formal training program for state and local law enforcement to learn safe and effective bomb disposal operations. When appropriate, the FBI also sponsors regional and international seminars. Through these courses, the FBI is able to impart its unique expertise on a broad scale and serve as a facilitator for information exchange among forensic professionals around the world.

New Coordination

Recognizing the need for greater cooperation among law enforcement agencies within the Department of Justice, the FBI proposed a new coordinating mechanism. The Attorney General subsequently created the Office of Investigative Agencies Policies (OIAP) in 1993, and it has served as a focal point for increased cooperation on important criminal law enforcement matters. The FBI has played a central role. In the last five years, OIAP resolutions have created a uniform shooting incident policy, a uniform deadly force policy, and coordination on budget requests to ensure the Department gets the most impact from its resources.

An OIAP resolution also addressed the need for sharing of drug intelligence, mandating that the FBI and DEA establish a joint drug intelligence database. This database, DRUG-X, is currently accessed more than 40,000 times a month by the FBI and DEA personnel.

Overseas Training Academy

One of the most important aspects of the FBI's work to build the most positive working relationships possible with other law enforcement agencies concerns its work abroad. A high priority

is placed on developing closer ties with law enforcement around the world.

One precedent-setting development was creation of the International Law Enforcement Academy (ILEA) in Budapest, Hungary, which grew out of a recommendation by the FBI after my 1994 trip to Russia, Hungary and Eastern Europe.

Nine months later, the opening of ILEA in April 1995 was an important step toward establishing a mechanism for regional law enforcement training in Eastern Europe. The ILEA is a combined effort of the Department of State and federal law enforcement agencies within the U.S. Government. The FBI is the lead agency for coordinating all activities at the ILEA.

The comprehensive student selection process for the ILEA eight-week program involves the vetting of prospective students within their own organizations, based on criteria established by the first International Curriculum Committee. The ILEA is patterned after the domestic FBI National Academy program in the U.S., but is conducted with simultaneous translation to eliminate the requirement for students to speak English.

The ILEA program is an eight-week personal and professional development program, conducted for up to 50 students in each of five sessions per year. The focus for this program is not on technical skills, but rather on leadership, personnel and financial management issues, human rights, ethics, the rule of law, management of the investigative process, and other contemporary law enforcement issues. At ILEA, police officers from Eastern Europe, Russia, the Newly Independent States and the Baltic states are being trained in techniques used to combat modern criminal activity, including organized crime and terrorist groups.

To date, over 850 students from 23 countries have graduated from the eight-week professional development seminar which is the cornerstone of activity at the ILEA. The facility also hosts specialized training and seminars. An additional 3,000 officers have been provided specialized training in other subject matter areas such as drug trafficking and organized crime.

World-Wide Training

The FBI seeks the broadest possible program of training with other nations in all parts of the globe. The mission of the International Training and Assistance Unit (ITAU-II) of the Training Division is to secure both the operational and investigative interests of the FBI through international training by planning, managing and administering world-wide in-country training for foreign law enforcement entities as determined by the appropriate Legal Attache and FBI Division.

Utilizing U.S. Department of State funding, ITAU-II responds to the training requests of the FBI's Legal Attaches for foreign police agencies. There has been a dramatic increase in the number of bi-lateral in-country international training courses delivered by ITAU-II to the international police community.

The ITAU-II Course Catalogue has expanded courses and Practical Case Training Initiatives. These courses cover all aspects of the Bureau's investigative mission, technical capabilities and areas of police science expertise. ITAU-II has designed courses outside those contained in the catalogue to meet training needs for foreign police agencies as identified by various Legal Attaches. When applicable to the identified training need, ITAU-II conducts training courses in the United States and arranges the travel of foreign police students to receive training here.

FBI Special Agents show the approach of the FBI to complex investigations or issues facing American law enforcement.

In 1998, particular emphasis was placed on Crisis Management and major case management, as well as the investigation of transnational organized crime groups utilizing the enterprise method of investigation. These training initiatives have furthered the FBI's international investigative mission and greatly enhanced the "cop-to-cop" relationships that have become vital to combating the transnational crime problems now facing the world.

Closer ties with foreign nations have resulted in a number of successful investigations. For example, Russian Federation Ministry of the Interior (MVD) officers traveled to the FBI's New York field office to participate in an unprecedented cooperative investigation targeting the Russian organized crime figure Yvacheslov Kirillovich Ivankov. Russian MVD officers working side-by-side with FBI Agents were able to recognize and decipher codes used by the Ivankov organized crime group. This cooperation immeasurably aided the investigation and directly led to the conviction of Ivankov and a nine and one-half year prison term.

Indian Country Programs

The FBI pays significant attention to crime in Indian Country. In 1997, 30 agent positions were assigned to Minneapolis (4); Phoenix (6); Albuquerque (6); Seattle (3); Salt Lake City (6); Oklahoma City (3); and Las Vegas (2) to assist in the struggle against crime in Indian Country. Ninety percent of the cases in Indian Country were in these field divisions. Agents in Washington, D.C., also are assigned to the program.

Historically, training of Indian Country law enforcement

personnel has been limited. The FBI recognized this and is providing training in areas that will integrate FBI Special Agents, Bureau of Indian Affairs (BIA) criminal investigators and Tribal Police Officers. The seminars, taught by experts, include the investigation of homicides, crimes against children, and proper evidence collection. Over 1,000 law enforcement personnel who work in Indian Country have been trained.

In addition, through a reimbursable agreement with the FBI, the Bureau of Indian Affairs provided training for 667 law enforcement personnel from 116 tribes, 3 FBI Offices, 43 BIA Agencies, nine local Police Departments, 3 other Federal agencies and 3 State Police Departments.

In an effort to better coordinate the resources of the various law enforcement agencies in certain areas of Indian Country, Safe Trails Task Forces (STTFs) have been formed. Five STTFs have been authorized funding--at Gallup, NM; Carson City, NV; Flagstaff, AZ; Glasgow, MT; and Monticello, UT. A STTF at Tucson, AZ, is under review for High Intensity Drug Trafficking Area funding. STTFs have also been proposed for Green Bay, WI, and Riverton, WY. Other field offices are also considering STTF proposals. Thus far, the STTFs have targeted drug trafficking, violent gang activity, crimes against children, and violent, non-gang related crimes in Indian Country.

New Information Programs

The FBI also enlists the aid of the public in its law enforcement programs. The FBI relies heavily on public support against crime and drugs, and seeks information about fugitives who are sought by the FBI. With the increasing popularity and use of the Internet as a means of communication and information dissemination by the American public, the FBI created its own website to take advantage of this audience. The FBI Webpage has been accessed over 25 million times per month. The Webpage has also been used in major cases to obtain and provide information from the public that generates leads, and it is credited with aiding the capture of three Top Ten Fugitives.

CHAPTER SIX

SUPPORT/CONCERN FOR EMPLOYEES

The FBI's most important resource is its employees. To meet the challenges of today--and the new century--the work force must be stable, diverse, well-trained, confident, expertly equipped, and have the complete support of the Bureau's top managers.

We promote the safety and security of our employees while compassionately dealing with adversities they face. Five years ago, I was concerned that the FBI may have been compromising the safety of our employees because of budgetary constraints. Because of that, I appealed directly to the Administration and to Congress to increase FBI budgets for equipment and other programs I believed were vital to the FBI's mission, and funding was provided.

The FBI's Employee-Related Programs Include:

Special Agents must be equipped with state-of the-art weapons and the expertise to use those weapons when necessary to protect the law-abiding public and themselves.

Safety equipment to protect the lives of Special Agents is an absolute necessity.

The FBI work force must be protected against terrorists and other criminals. As a result, FBI facilities are constantly being made more secure.

After becoming the Director, I conducted a personal review of the physical security of the FBI Headquarters building and determined that deficiencies existed that had to be corrected. I immediately enhanced security by further restricting access to the interior of the building and extending perimeter security. I have continued security enhancements by extending the building's security perimeter through the elimination of vending on the sidewalks surrounding the J. Edgar Hoover FBI Building and by eliminating uncontrolled curbside parking next to the building. Additional work years were approved by Congress for the enhancement of the FBI Police assigned to the armed protection of FBI Headquarters and the Washington Metropolitan Field Office. Offsite security screening of U.S. Mail, packages and freight deliveries was instituted as well as the use of x-ray and magnetometer equipment to screen visitors. Numerous other security enhancements have been implemented at the FBI Headquarters building.

Building Security

Following the bombing of the Alfred P. Murrah Federal Building in Oklahoma City and at the direction of the President, I assigned FBI representatives to participate in the Department of Justice assessment of the vulnerability of federal office buildings. Furthermore, I directed the FBI to review the adequacy of physical security and security standards in FBI space throughout the world. As a result, significant security enhancements were developed and adopted, providing a safer and more secure workplace for all FBI employees. On-site physical security surveys have been and continue to be conducted at all FBI facilities, and modifications to our space requirements have been developed to incorporate enhanced security measures.

New security arrangements include the use of building design and security requirements, armed guards for perimeter security, specially designed perimeter security fencing, shatter-resistant windows, hydraulic vehicle barriers, enhanced intrusion detection and video display systems, locks and access control systems, secure public entrances, and the use of magnetometers and state-of-the-art x-ray equipment to screen visitors, packages, mail and deliveries.

Where feasible, FBI field offices are being relocated to new, stand-alone facilities specifically constructed to meet the FBI's security requirements and the numerous investigative and administrative responsibilities of the FBI. Most recently, two FBI field offices were moved into new facilities in El Paso, Texas, and Columbia, South Carolina. In all, 13 field offices have relocated to new space and numerous others have undergone major expansion projects, providing enhanced, safer work space.

The FBI firmly believes in absolute loyalty to its Special Agents who carry out their lawful responsibilities. That is why the Bureau--along with the Department of Justice--fully and successfully supported a Special Agent against whom local authorities brought charges in the aftermath of the standoff at Ruby Ridge, Idaho.

Special training is provided for Agents who face the most hazardous assignments.

When tragedy strikes, the FBI has programs to assist the families of Special Agents who give their lives enforcing the law and protecting the public. And there have been far too many tragedies in the ranks of the FBI: A total of 33 Special Agents--martyrs all--have been killed in the line of duty in the past 90 years. The FBI has a deep obligation to aid the families of slain Special Agents as well as doing everything possible for the loved ones of other Bureau employees who meet untimely deaths.

All employees must have confidence that there is absolute fairness in hiring and promotions, and their expectations must be matched by reality and progress by FBI's management. The Equal Employment Opportunity Program is one of my major priorities, and the FBI works diligently to ensure this important work succeeds. Although more remains to be done, there has been a significant increase in the past five years in the number of minorities and women serving as Special Agents.

Protection

We needed to make certain that our Special Agents were well-trained in the use of their weapons and had the tools necessary to maintain their proficiency. Consequently, the FBI has increased the base-level funding for ammunition in the past five years. Now, Special Agents are able to shoot a minimum of 1,000 practice rounds per year. In addition, the FBI has undertaken a variety of Field Range development projects and completed a number of Cooperative Range Use Agreements to enable FBI Special Agents in the field to maintain their firearms competency.

As ammunition and weapons technology have advanced, the FBI has had to streamline its weapons procurement strategy. The FBI procured over 4,000 shotguns and submachine guns for our field offices so that there is now one shoulder weapon per field agent Bureau-wide. In addition, new Special Agents are now issued .40 caliber pistols instead of the handguns previously issued, and these Bureau-issued handguns now include safety-locking devices. In response to the ever-changing types of ammunition being used by criminals, the FBI has obtained the newest and most effective soft body armor for all Special Agents. We also procured additional new safety and protective gear and equipment for the Evidence Response Teams, the Hazardous Material Response Unit, and Bomb Technicians.

During recent years, terrorism has grown. And among other things, the FBI has carefully examined the safety of its own facilities. The FBI is committed to implementing the standards contained in the June 1995 Department of Justice report, entitled, "Vulnerability Assessment of Federal Facilities," which advises "to keep Federal law enforcement agencies out of rented space areas with non-Federal entities whenever possible." We have moved field offices to comply with this recommendation and are occupying new facilities.

The FBI also has a program to provide magnetometers and x-ray machines to FBI facilities across the country.

Threats against FBI personnel and facilities are very real. For example, seven men were arrested in 1996 on charges of plotting to destroy a large FBI facility in Clarksburg, West Virginia. They were members of the Mountaineer Militia, and

after their arrest FBI agents recovered weapons, ammunition, bomb components, and a map of the targeted FBI facility. The seven defendants either pleaded guilty or were convicted.

Equal Employment Opportunity

During the past five years, the FBI has made significant strides in increasing the numbers of minorities and women who serve as Special Agents. Much remains to be done in an area where progress was too slow for decades, but there have been genuine accomplishments and the foundation has been created for more.

Here is a chart that shows the numerical increase and the percentage increase of minorities and women in Special Agent posts in the past five years:

Amer. Indian.....	40 to	57 (+ 17)	+ 43%
Asian-American.....	157 to	294 (+ 137)	+ 87%
Black.....	517 to	657 (+ 140)	+ 27%
Hispanic.....	618 to	823 (+ 205)	+ 33%
White.....	8938 to	9717 (+ 779)	+ 9%
All Female.....	1198 to	1871 (+ 672)	+ 56%

Those figures tell only part of the story. Recruitment of minorities and women as Special Agents is one of our priorities.

In its recruitment programs for Special Agents, the FBI combines fairness and effectiveness. With some 95,000 applicants seeking a small number of positions, there is no general recruitment program. However, the FBI does make a special effort to recruit minorities for Special Agent positions. This program is carried out in the most fair and equitable manner. There is no affirmative action program but rather one test for all candidates for Special Agent positions, a process that results in merit selection. The increase in the number of minorities holding Special Agent positions shows the validity and fairness of this approach.

The FBI's priority on absolute fairness has also resulted in significant increases in the number of minorities and women serving in high-level management positions in the Senior Executive Service.

In the past five years, three African-American men, two Hispanic men, one African-American woman, and one white woman were appointed Assistant Directors of the FBI--the third-highest rank in the Bureau after Director and Deputy Director. The appointments included the first Hispanic man and first African-American woman to hold those posts. Four Hispanic men and three African-American men were named Deputy Assistant Directors. Twelve African-American men, 12 Hispanic men, and three white

women were appointed to the position of Special Agent in Charge of FBI Field Offices.

In addition, 13 Hispanic men, 13 African-American men, three Asian-American men, 12 white women, and one African-American woman were appointed Assistant Special Agents in Charge.

In a program to expand education regarding cultural diversity, the FBI launched a series of presentations on managing a diverse workforce to supervisory personnel from around the nation. This course includes segments on how to bring together persons from diverse racial, gender, and ethnic backgrounds and persons with disabilities to accomplish the FBI's mission. The goal of the course is to equip employees to enhance FBI accomplishments by creating an environment of greater tolerance and understanding.

The FBI also has an expanded Equal Employment Opportunity Program that works with all diligence to uncover and correct instances of bias, minimize misperceptions, and to refer for discipline those who violate the laws and regulations.

Since the beginning of fiscal 1994, there have been 725 EEO complaints filed at the FBI. The breakdown is as follows: 601 have been closed--156 by dismissal, 69 by withdrawal, 125 by settlement agreement, and 251 by final agency decision. Six of the final agency decisions were findings of discrimination.

In addition to its long-standing Headquarters Office Staff, the FBI implemented eight full-time term EEO Investigator positions in five geographical regions in 1998, to augment the collateral duty function of approximately 150 Special Agents.

The FBI also maintained a collateral duty EEO Counselor program encompassing over 350 counselors in our Headquarters Divisions and field offices.

Professional/Staff Training and Development Unit

The mission of the Professional/Staff Training and Development Unit (PSTDU) of the Training Division is the development of FBI support employees to enhance competence and expertise in supervision, management, leadership, and job skills. The emphasis will be on the improvement of competencies and skills that can be achieved through training, education and experiential opportunities. The Unit will conduct periodic needs assessments to determine program priorities and to establish objectives that will result in short and long-term training and developmental plans. The training plan will form the basis for a systematic delivery of training and development programs to be provided to targeted employee groups.

The mission will be accomplished through the use of existing internal training delivery structures, commercial resources, distance learning technology, and employee self-initiated learning. The PSTDU will be staffed with a Unit Chief, three Program Managers, an Instructional Systems Designer, and Distance Learning Technologist/Computer Base Developer. Each Program Manager will focus on a group of job functions (e.g., management/administration; Professional, Investigative, and Technical; and Clerical/Infrastructure).

The Horiuchi Case

In 1998, all of us in the FBI were gratified to learn that a federal court dismissed the criminal charges brought against Special Agent Lon Horiuchi arising out of the events at Ruby Ridge, Idaho, in 1992.

The State of Idaho had charged Special Agent Horiuchi with involuntary manslaughter in connection with the death of Vicki Weaver during the incident at Ruby Ridge. Without question, the death of Vicki Weaver, like the death of Deputy U.S. Marshal William Degan, was a terrible tragedy.

Agent Horiuchi's job on the FBI's Hostage Rescue Team involved making split-second decisions. These are the types of decisions that law enforcement officers face every day. Because it was his job to make such judgments, the FBI and the Department of Justice did everything within their power to ensure that Agent Horiuchi's rights as a federal law enforcement officer were fully protected.

The court's decision provides support for all of those in law enforcement who are prepared to sacrifice their lives in the line of duty.

On behalf of the entire FBI, I express great appreciation to the Attorney General for her defense of Special Agent Horiuchi's actions during the Ruby Ridge standoff and for the superb work of Assistant Attorney General Frank W. Hunger of the Civil Division of the Justice Department and his staff.

Both at the District Court level and currently before the Ninth Circuit Court of Appeals, friend of the court briefs were filed by former Attorneys General William P. Barr, Griffin B. Bell, Benjamin R. Civiletti, and Richard L. Thornburgh, and former FBI Director William H. Webster in support of Special Agent Horiuchi. In both cases, these briefs urged the respective courts to dismiss the state criminal prosecution brought against Horiuchi by the state of Idaho, arguing that the application of state criminal law in this case would seriously undermine effective federal criminal law enforcement.

Transfer Policy

In 1996, I approved significant modifications to the FBI's Special Agent Transfer Policy. These changes enhanced the FBI's ability to effectively staff its field offices while, at the same time, placing a premium on Agents' preferences for assignments. Principally, refinements were made to the Personnel Resource List (PRL) and rotational transfer policies. Since the 1996 modifications to the transfer policy, 1,643 Agents have been offered PRL/speciality transfers, with 1,240 of those Agents accepting transfer. Since FY 1996, 2,893 new Agents have been hired by the FBI. Of those Agents, 1,999 or 71 percent, were transferred to one of their top ten preferences. Approximately 3,239 Agents have received transfers to a preferred office since 1996. This number represents 28 percent of the FBI's on-board complement. Moreover, during the same time frame, non-voluntary transfers of on-board Agents have been extremely limited. Additionally, during the past two years, other significant modifications to transfer policies have occurred. These include the approval or modification of specialized transfer policies for non-continental United States field offices and hardship resident agencies. Finally, in recognition of the critical role that the professional support staff occupies within the FBI, modifications to the FBI's Support Employee Transfer Policy were made in January, 1999.

Title V Limited Exemption Authority

During FY 1998, the FBI received a limited exemption from the pay, performance management and position classification provisions of Title 5, U.S. Code for up to 3,000 non-Special Agent employees assigned to scientific, engineering, technical, language translators, medical and intelligence analyst positions. The exemption authority was sought to provide the FBI greater flexibility to recruit and compensate well-qualified employees for high-technology and other specialized occupations for which the FBI has an urgent need.

Approval to implement the authority for the limited exemption was received January, 1999. Under this new authority a new personnel system is being established by the FBI incorporating such human resource management practices as a broadband classification system to replace and simplify the current system. The system will also include a broadband pay structure to expand and improve compensation flexibilities. Also included is a pay-for-performance system to allow employees to be rewarded for their contributions to the organization and to motivate employees to strive for excellence. Conversely, the system will also allow pay to be decreased based on consistent lack of acceptable performance. Under the new system, recruitment tools, more flexible than those currently available

to the FBI, will be used to attract and retain quality employees.

Availability Pay

When I arrived at the FBI, Administratively Uncontrollable Overtime (AUO) was a controversial budget issue facing all federal law enforcement agencies. Congress recognized this problem and drafted legislation building on a concept the FBI developed. The legislation established a new section in Title Five providing for mandatory payment of availability pay to federal criminal investigators as a substitute for the payment of AUO. Availability pay, which equals 25 percent of basic pay, compensates agents for all unscheduled work performed in excess of 40 hours in an administrative work week, including work performed on regular days off. Because of the reform, the controversy surrounding this budget issue has virtually disappeared.

Promotion Policy

In 1996, I approved a revision to the FBI's promotion practices covering Special Agents from grades GS-10 to GS-13. Former policy allowed Agents to be promoted from GS-10 to GS-11 after two years, GS-11 to GS-12 after two additional years and GS-12 to GS-13 after three additional years at the next lower grade.

The new policy reduced the time for promotion from GS-11 to GS-12 by one year and from GS-12 to GS-13 by one year. Thus, Agents may now be promoted from GS-10 to GS-11 after two years, GS-11 to GS-12 after one year and GS-12 to GS-13 after two years at the lower grade. This promotion policy is, of course, contingent upon Agents successfully meeting performance and other criteria for promotion. It is a more equitable policy that rewards excellence in performance.

Advisory Committees

I meet with six employee advisory committees on a semi-annual basis to discuss issues of concern to their constituents. These committees are: the Special Agents in Charge Advisory Committee; the Midlevel Management Advisory Committee; the Special Agents Advisory Committee; the Women's Focus Group, which represents female Special Agents; the Administrative Officers Advisory Committee; and Aegis, an advisory committee for support employees. The chairpersons of these committees also conduct a joint meeting on an annual basis to discuss issues of mutual interest and concern with me.

Among the accomplishments of the advisory committees over the past five-year period are: the establishment of the Employees' Benevolent Fund; participation and significant input

into support and agent transfer policy revisions; assistance in the design and development of the FBI's new performance appraisal system; influencing the establishment of a support training unit; and raising issues which highlighted the need to revise the FBI's disciplinary system. The advisory committees have also provided valuable feedback on recent proposals to retool the career development program for agent and support personnel. Perhaps the most significant accomplishment of the advisory committees over the past five years has been their combined efforts toward ensuring that concerns of all segments of FBI employees are heard and addressed by executive management.

Part-Time Program

The Part-Time Program has been available to the FBI's Special Agents since 1990 to assist these employees with career and personal needs. Agents must meet certain criteria to qualify for this program. I approved a change to this program in 1997 whereby a qualifying Agent is allowed to enter into part-time status for up to 10 years versus the 5 year period which was permissible before this modification.

Employee Assistance

I approved a plan in 1996 to reorganize and restructure the FBI's Health Care, Safety and Employee Assistance (EA) Programs. Since that time highly skilled professionals have been hired both at FBI Headquarters and in FBI field offices, to include medical doctors, a psychiatrist, a psychologist, occupational health nurses, industrial hygienists, environmental protection specialists and others. In addition, regional managers for each of these programs have been assigned in Houston, Los Angeles, Chicago, and New York. This core group of technically trained and knowledgeable experts is initiating and implementing programs to reduce occupational injuries; materials losses and damages; and to provide FBI employees the healthiest and safest work environments possible. Health, Safety and EA sub-programs, which did not exist prior to this restructuring, are now in place to help ensure that FBI employees are ready to deploy to all domestic and international assignments and upon arrival to receive full support which ensures safe and healthful working conditions.

The FBI is determined that employees receive the help they need to maintain satisfactory job performance and solve job-related and other problems. The Employee Assistance Unit (EAU) administers four of the most advanced programs in law enforcement designed to help employees overcome problems that impede job performance. The four component programs are:

Employee Assistance Program (EAP): It provides counseling and referral services (Immediately in a crisis situation) for

employees and their immediate family members going through personal, family, job, substance abuse, or financial difficulties. The EAP also offers assistance to supervisors who feel the need to refer an employee whose personal problems are affecting job performance or negatively impacting the workplace. Training is also afforded to all Bureau supervisors and managers in the use and capabilities of the EAP. FBI policy states that job security, promotional opportunity, and career assignments will not be jeopardized simply because an employee is seeking EAP services.

The Critical Incident Stress Debriefing Program helps Special Agents who have been involved or exposed to a sudden, intense, or life-threatening situation or trauma such as a shooting incident, bombing investigation involving fatalities, suicide or homicide, or involvement in a natural disaster. There are four regional response teams which may be deployed immediately in the event of a critical incident. Team members consist of EAU headquarters staff, FBI Peer Support Team members, FBI Chaplains, and mental health professionals with experience in police psychology and trauma. EAU routinely conducts Post Critical Incident Seminars for FBI employees and family members adversely impacted by trauma. This four-day seminar is designed to allow attendees to discuss their reactions in a safe, confidential environment and provides them with various tools to assist in coping with the impact of the trauma.

Peer Support Programs: The participants are employees and family members who complete the Post Critical Incident Seminar and volunteer to take part in this program. It is about linking up people who have experienced a traumatic event with someone else who has gone through a similar situation and, therefore, is uniquely able to listen and assist.

The Chaplain Program consists of a group of over 100 volunteer chaplains who put in more than 20,000 hours annually working with FBI employees and their family members during times of need. Each chaplain has passed a full background investigation and has a "Top Secret" clearance. FBI chaplains understand the unique situations and problems faced by law enforcement employees and management, as well as the universal life problems encountered by people everywhere.

The institution of alternate work schedules under the "work-life program" enables our employees to meet family needs by altering their work hours. The Family Friendly Leave Act of 1994 has been another important improvement. The institution of this Act allows employees to take a leave of absence for the birth or adoption of a child or extended illness of a family member, and we encourage employees to take advantage of these innovations.

When FBI managerial decisions have had a negative impact on

employees, the FBI has offered training and assistance to minimize the problems and ease transitions due to job consolidations. For example, when the Criminal Justice Information Services (CJIS) Division was moved to West Virginia, the FBI provided extensive career counseling and training to employees who did not want to relocate. In addition, I directed that these employees receive priority consideration for many types of job openings in Headquarters and the Washington and Baltimore Field Offices. Of the nearly 2,000 employees impacted by the CJIS relocation, less than 200 were actually separated-- and all had been offered jobs at the West Virginia facility.

Another recent innovation was the creation of the Employee Benevolent Fund. It provides financial assistance to support employees and their families when facing the costs of a death of a family member. The Fund is supported through employee contributions and proceeds from the FBI Tour Store.